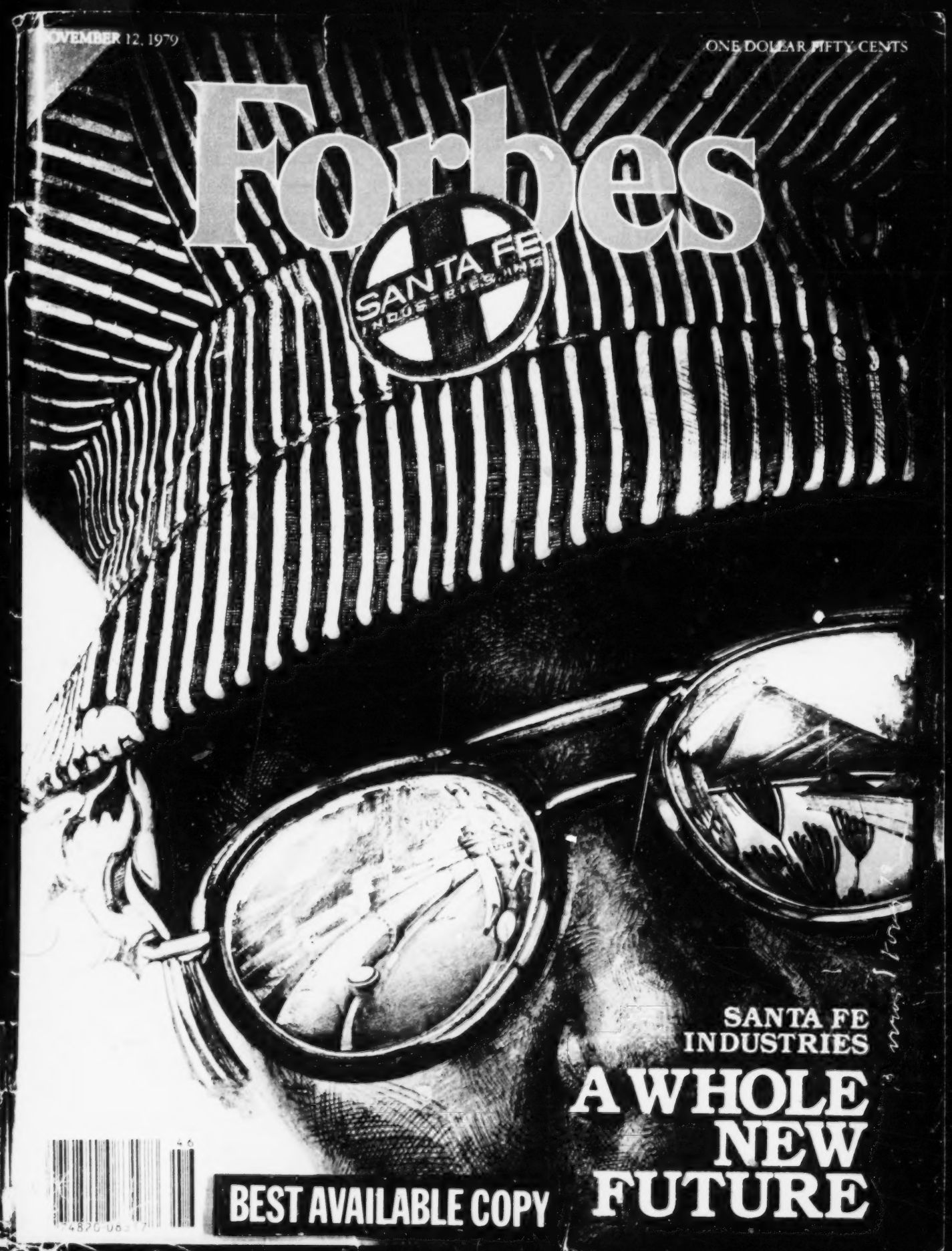
OVEMBER 12, 1979

ONE DOLLAR FIFTY CENTS

Forbes



SANTA FE INDUSTRIES

A WHOLE NEW FUTURE

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Forbes

November 12, 1979
Volume 124, Number 10

Companies: If Beech is worth $590 million to Raytheon, Piper may be worth considerably more than Bangor Punta's Dave Wallace paid for it. **40**

Companies: All Aron Gordon seems to hear these days is "gold, gold, gold." It's sweet music to his ears. **42**

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Wall Street: *The Return Of The Proxy Fighter.* If rising interest rates will mean a slowdown in tender offers (which often require lots of borrowed money), the proxy fight may be the wave of the future instead of a relic of the past. Arbitrager Carl C. Icahn, who has recently won two proxy fights, has already decided that it is. **37**

Bureaucracy: *The Liberal And The Leviathan.* "Arrogant." "Inflexible." "Unaccountable." "Stupid." Nobody would be surprised to hear businessmen or conservatives apply those adjectives to the huge federal bureaucracy. But when an aggressively liberal U.S. senator like Michigan's Carl Levin does, change is in the wind. Levin got a painful education in the tactics of what he calls "the monster" during eight years as president of the Detroit City Council. He has proposed a bill to give Congress veto power over "a system that has run wild," and he thinks other liberals will come to agree with him. **38**

Labor: *A $300 Million Kitty.* Each member of the United Auto Workers union donates two hours' pay a month to the union. About 30% of it goes to the UAW strike fund. This year the union probably won't have to touch a penny of it, and will wind up its major negotiations with a $300 million kitty that probably won't be needed for at least three years. What will the UAW do with it? "A few people are beginning to talk about the possibilities," says UAW President Douglas Fraser. **39**

Conglomerates: *Splitting The Sum Back To Its Parts.* As far as market fashion is concerned, conglomerates are as out of style as miniskirts. In the Sixties, investors wanted to make a long-term bet on management; today, they want a short-term play on specific products and markets. So why not give it to them by splitting conglomerates into their "pure-play" subsidiaries and giving the stockholders several companies instead of one? There are some thorny problems involved, and by the time the dissection is completed, conglomerates may be back in fashion; but W.R. Grace's board is considering it. **43**

Collectibles: *Friends Of Financial History.* Save those old stock certificates, Mother. They might be worth as much as a Chinese Imperial bond. **76**

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Investing: *Can Joe Really Walk On Water?* "This is no traditional brokerage house," says Joseph Offerman in his cramped offices in suburban Minneapolis. Indeed it isn't. Offerman & Co. sells bonds of weak, third-tier public companies to farmers, small-town merchants and retired people in rural America. His company will do $120 million in sales this year. The question is what his middle-American customers are getting for their money. **93**

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Government: *Justice Delayed.* Twenty-one years ago the Navy began buying ball valves designed by tiny Jamesbury Corp. of Worcester, Mass. The valves were crucial to the construction of nuclear submarines. But rather than giving Jamesbury a citation, the Navy allowed other suppliers to jump the company's patent. Jamesbury has been suing the government since 1963, has won every round—but has yet to see a penny. **188**

Special Report
The Up-And-Comers

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Companies: *"If You Think You're Right, Do It."* David A. Scheinman's father ran a grocery store, but Scheinman was an entrepreneur since he learned to read. Today he's an M.D. and president of fast-growing Quality Care, Inc. **233**

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A free economy has answers for those who say government must protect us from big business. Sometimes they are an investor's dream.

Many are called, and a few chosen

The Up-And-Comers

By Geoffrey Smith

On Wall Street they speak of "threshold companies" or of "emerging growth companies." We at Forbes prefer to call them "Up-And-Comers." They are too small for the Forbes 500 lists. But if they keep up the pace, some of them might make future Forbes 500 lists and a few might even become household names.

It's fashionable to groan about corporate concentration. But for every big company that disappears into a bigger company through merger, a couple of new ones come along and take its place.

Take Forbes' Annual Report on American Industry. To be listed last year a company needed minimum sales of $275 million. Yet there were 1,006 companies on the list. Can one call that concentrated power? Compared with government power or union power, corporate power seems quite diffuse.

Beyond these 1,006, there are thousands of businesses that, if not huge, are certainly substantial. There are roughly 3,000 public companies too small for Forbes' normal coverage. We have selected one in ten as our Up-And-Comers.

To begin with, we decided quite arbitrarily that a company over $100 million in sales had already "emerged" sufficiently to be a reasonably well-known entity. So it was excluded.

Here's what these under-$100-million outfits needed to be an Up-And-Comer:

To have performed at least as well as the top third of the largest U.S. corporations in our Annual Report on American Industry. In other words, a company had to have turned in an average of at least 15% a year in compounded earnings growth for the period 1974-78. *Plus:*

An average of at least 15% a year return on equity for those five years.

Any company that needed more than 50% long-term debt in its capital structure to do that was taken off the list as a bit too risky in these troubled times.

As a commentary on these statistics, on pages 216-229 Forbes talks to three top finance people who specialize in small to medium-size companies: Bill Comfort, chairman of Citicorp Venture Capital, who argues that Up-And-Comers are the very best inflation hedge; Dick Hexter, of "development bankers" Ardshiel Associates, who describes typical problems growing companies have in figuring their capital needs; and Don Sutherland of Quincy Partners, a private investing group that does leveraged buyouts on doggy little companies that then get resold at a substantial profit a few years later.

Finally, on page 233 we throw the spotlight on Up-And-Comer Quality Care, a very promising small company with a good idea almost anyone could have had, but not everyone could have implemented as shrewdly.

Helpful as these yardsticks may be, an Up-And-Comer can't be picked solely on the strength of such statistics. In one of the interviews that follow, Ardshiel's Dick Hexter puts it neatly: "You learn after you've been in this business awhile to stop investing in products and ideas, and invest only in people." Put it this way: The most important ingredient is the hardest to quantify.

Up-And-Comers class of '79

Over 300 small companies whose track records in growth and profitability over the past five years look promising.

Company	Principal business	Return on equity 5-year average	Return on equity latest 12 months	EPS 5-year growth rate	Net sales* (mil)	Net income* (mil)	Net profit margin*	Book value per share	Debt as % of book	Recent price	EPS last 12 months	P/E ratio
Key Pharmaceuticals	ethical pharmaceuticals	86.42%	58.82%	44%	$ 6.80	$ .65	9.55%	$ .34	30%	10	$ .20	50.0
Pepcom Inds	mfr, distributor soft drinks	73.43	34.16	23	62.42	5.95	9.53	7.61	25	14⅞	2.60	5.7
WD-40	aerosol lub/rust prevention	71.63	50.37	28	26.27	4.13	15.72	4.01	0	27¾	2.02	13.7
Adage	computer graphics terminals	68.21	23.27	35	7.42	.45	6.06	2.32	41	7¼	.54	13.4
Chemlawn	lawn & landscape care	63.85	44.75	32	63.65	3.24	5.09	3.53	100	40½	1.58	25.6
Semicon	semiconductor products	56.87	38.95	101	19.03	.93	4.88	1.72	78	6¾	.67	10.0
Rollins Burdick Hunt	insur brokerage & agency	53.35	35.79	19	56.48	8.22	14.55	6.23	0	22¼	2.23	9.9
Data Terminal Sys	terminals & control systems	52.80	38.47	94	69.35	13.98	20.15	7.98	3	40¾	3.07	13.2
CPT	word processing	51.44	21.36	30	33.60	3.51	10.44	6.32	25	27	1.35	20.0
Applied Digital Data	mfr computer terminals	50.28	14.49	17	45.52	6.55	14.38	7.45	0	7¼	1.08	6.7
West'n Marine Electron	marine sonar & indl equip	48.27	15.53	23	9.19	2.14	23.28	6.76	0	11¼	1.05	10.7
Quotron Systems	financial info services	47.89	26.23	137	39.38	4.47	11.35	5.45	66	17¾	1.43	12.4
Aztec Mfg	oilfield tubing, galvanizing	44.34	39.94	46	23.65	4.25	17.97	3.98	20	20¼	1.59	12.7
Hickory Farms Ohio	franchising spec food stores	43.86	29.11	19	33.38	3.03	9.07	4.74	14	12	1.38	8.6
Ingredient Technology	molasses, food ingredients	43.80	7.33	157	59.13	2.64	4.46	16.09	0	15	1.18	12.7
Standard Microsystem	semiconductors/circuits	43.54	31.84	111	11.37	2.18	19.17	2.01	10	11¼	.64	17.5
Dynatech	biomedical products	42.74	28.95	28	27.53	2.33	8.46	4.11	41	19	1.19	15.9
Kratos	spectrometers/instrument'n	42.18	42.42	64	33.81	2.10	6.21	3.63	56	12¾	1.54	8.2
Magma Power	geothermal steam/elec power	41.35	18.95	29	12.58	3.30	26.23	3.06	0	13⅜	.58	23.9
Altair	control sys; process equip	41.29	20.29	21	44.16	1.41	3.19	5.42	29	3¾	1.10	3.2

*Latest fiscal year.

Up-And-Comers class of '79

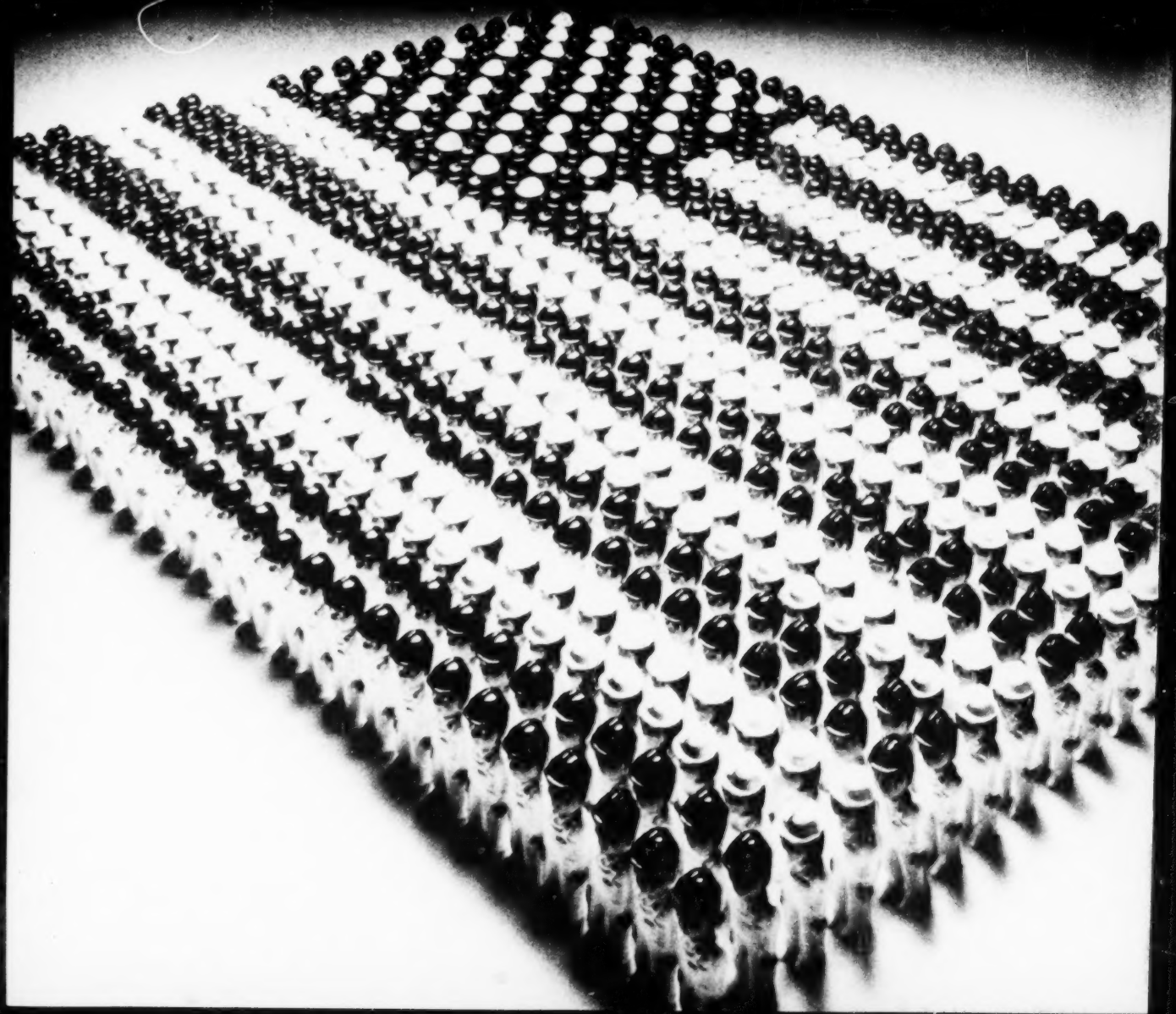
Company	Principal business	Return on equity 5-year average	Return on equity latest 12 months	EPS 5-year growth rate	Net sales* (mil)	Net income* (mil)	Net profit margin*	Book value per share	Debt as % of book	Recent price	EPS last 12 months	P/E ratio
Scripps-Howard Brdcst	radio & tv stations	41.06%	34.12%	18%	$65.34	$14.47	22.14%	$17.17	9%	53½	$5.86	9.1
Amer Appraisal Assoc	professional appraisal svc	40.46	23.52	121	41.92	1.36	3.24	2.21	0	6⅜	.52	12.2
Kennington, Ltd	shirt manufacturer	39.41	35.74	55	75.99	9.25	12.17	8.56	1	8⅜	3.06	2.8
Automated Mktg Sys	marketing svc organization	38.86	29.94	28	26.46	1.65	6.23	7.38	0	10	2.21	4.5
Eldon Inds	soldering irons; desk access	38.55	25.17	26	36.52	1.89	5.17	7.11	37	7¾	1.79	4.3
Impell	consultant to nuclear ind	38.00	28.70	26	23.10	3.20	13.85	6.62	4	23¾	1.90	12.5
Dual Lite	emergency ltg/safety equip	37.77	24.78	21	33.29	3.85	11.56	6.86	24	9½	1.70	5.5
Tucker Drilling	contract drilling; oil/gas	37.41	26.36	33	16.24	1.86	11.45	3.49	37	11¼	.92	12.2
Versa Technologies	silicone rubber, fluid pwr	37.37	24.38	21	16.74	1.73	10.33	6.07	17	10½	1.48	7.0
Marvin Josephson Assn	talent agency; tv prod; radio	36.31	63.43	86	37.65	5.23	13.89	3.20	14	13	2.03	6.4
SafeCard Services	credit card loss service	36.09	24.49	144	8.00	1.36	17.00	5.92	0	11¼	1.45	7.7
Cafeterias	operates cafeterias	35.69	24.42	33	77.90	6.51	8.35	7.37	25	22	1.80	12.2
Keystone Intl	butterfly valves, accessories	35.52	26.25	18	83.63	10.29	12.30	6.36	1	23½	1.67	14.0
Alico	Florida land, farm, cattle	34.64	43.32	52	16.10	5.51	34.22	6.07	35	27	2.63	10.2
Guaranty Natl	multiline insurance	34.63	32.81	65	27.76	4.82	17.36	7.71	1	14¾	2.53	5.8
AT Cross	fine writing instruments	33.91	29.09	24	73.30	11.39	15.53	10.62	0	31¼	3.09	10.1
Gray Communications	tv stations, newspapers	33.66	25.45	23	23.75	1.75	7.36	13.83	22	27	3.52	7.6
Pacesetter	residential improv prods	33.59	30.25	36	33.78	3.19	9.44	4.33	0	13¾	1.31	10.4
Manufact'g Data Sys	machine tool computer svc	33.42	26.13	45	28.62	3.26	11.39	5.05	0	27¾	1.32	21.0
Autotrol	water treatment control sys	32.76	17.30	63	34.38	2.99	8.69	6.82	95	15½	1.18	13.1
Alabama Tenn Nat Gas	natural gas pipeline sys	32.69	35.84	25	37.45	3.17	8.46	12.33	17	27¼	4.42	6.1
Great Lakes Chemicals	bromine & specialty chem	32.62	26.19	22	87.44	13.28	15.18	8.82	9	33⅛	2.31	14.3
Dranetz Engr Labs	mfr electronic test equip	32.15	41.05	103	8.40	1.11	13.21	2.46	5	10¾	1.01	10.6
Spectrum Control	electronic pollution control	32.01	23.84	17	6.78	.57	8.40	2.60	74	9	.62	14.5
Anacomp	computer services	31.92	41.22	46	38.12	2.65	6.95	2.28	81	18	.94	19.1
Plenum Publishing	publish journals, books	31.78	40.72	43	20.82	2.66	12.77	5.82	4	19½	2.37	8.2
Showboat	Las Vegas hotels, casinos	31.44	23.10	18	32.46	5.14	15.83	12.12	11	20	2.80	7.1
Atlantic Oil	metal casting; oil & gas	31.10	23.33	63	7.72	.59	7.64	1.50	37	6¾	.35	19.2
Physio Control	electronic medical instrum	30.67	29.37	30	28.16	2.58	9.16	7.25	15	33⅛	2.13	15.8
Pic 'n' Save	"close out" mdse retail strs	30.54	24.28	36	63.36	6.92	10.92	6.30	5	15	1.53	9.8
Redken Labs	prof hair & skin care prods	30.44	18.44	18	65.04	4.41	6.78	10.41	39	11	1.92	5.7
Thetford	sanitation sys, rec veh	30.38	5.76	105	35.09	1.94	5.52	5.55	81	4½	.32	14.0
Molex	elec/electron devices	30.24	27.80	36	98.11	13.57	13.83	14.10	4	37¾	3.92	9.6
Woods Petroleum	oil/gas explor/production	29.90	18.19	17	33.09	11.48	34.69	10.55	17	33	1.92	17.1
Cedar Point	amusement park, hotel	29.84	23.41	16	53.88	9.49	17.61	12.90	12	26¼	3.02	8.8
Interface Mechanisms	mfr printing/reading sys	29.75	41.13	95	6.72	1.03	15.32	1.41	0	8⅜	.58	14.4
Applied Data Research	software development	29.73	17.80	56	22.63	1.98	8.74	5.56	39	9½	.99	9.5
Dome Mines Ltd	Canada gold mine	29.60	28.91	27	80.83	52.57	65.03	10.93	0	41¾	3.16	13.2
Nicolet Instrument	electronic measuring instr	29.55	24.89	21	34.46	2.77	8.03	4.74	54	17	1.18	14.4
T-Bar	data switch'g & control eq	29.45	32.74	41	12.67	1.10	8.68	3.97	40	19½	1.30	15.0
Sealed Air	packaging material	29.38	24.57	18	54.26	3.66	6.74	7.12	9	15½	1.75	8.8
Delhi Intl Oil	oil & gas expl and prod	29.26	17.30	33	12.65	3.66	28.93	5.26	83	21⅛	.91	23.2
Lawson Products	repair/replacement fasteners	29.05	20.99	15	63.03	6.08	9.64	9.48	0	23¼	1.99	11.6
Mite	fasteners; industrial prods	29.04	39.29	30	59.40	5.92	9.96	7.71	93	21⅛	3.03	6.9
Charming Shoppes	women's specialty stores	28.88	32.73	43	85.19	7.00	8.21	2.78	14	7⅜	.91	8.0
Varco Intl	oil & gas drilling tools/equip	28.68	19.71	16	50.63	4.66	9.20	11.16	64	24½	2.20	11.1
Statesman Group	insurance hldg co	28.33	25.94	31	66.16	4.16	6.28	5.05	58	5⅜	1.31	4.0
Valleylab	electrosurgical equip	28.33	17.14	28	15.28	1.28	8.37	3.85	36	10	.66	15.1
Carboline	protective coatings & linings	28.21	22.97	18	45.78	3.55	7.75	10.62	14	30	2.44	12.2
Golden West Homes	mfr mobile homes	28.16	19.35	118	80.08	3.36	4.19	7.75	23	9½	1.50	6.3
Health-Mor	vacuum cleaners; tubing	28.02	26.22	34	26.65	2.91	10.91	6.71	0	7⅝	1.76	4.3
Computer Network	time-sharing computer serv	27.66	17.07	111	21.01	1.51	7.18	4.86	26	4½	.83	5.4
Trico Inds	mfr oil production equip	27.62	17.89	25	63.10	2.96	4.69	5.70	55	10⅛	1.02	9.9
Security Amer Life	life insurance	27.56	24.17	22	35.56	3.61	10.15	7.61	9	17½	1.84	9.5
Neutrogena	mfr & dstr skin care prods	27.51	22.80	23	19.12	1.65	8.62	8.77	0	19	2.00	9.5
Gulf Energy & Dev	prod/dist natural gas; LPG	27.38	20.60	16	20.23	2.18	10.77	5.97	49	27	1.23	21.9
Waters Assoc	liquid chromatography sys	27.29	19.58	29	57.08	5.08	8.89	8.27	38	24¾	1.62	15.2
Aydin	microwave/data comm eq	27.21	19.08	19	47.44	2.68	5.64	7.23	6	17⅞	1.38	12.9
Gr Northern Iron Ore	lessor of iron ore mines	26.98	39.78	26	7.90	4.26	53.92	8.52	0	26½	3.39	7.8
CACI	management consultant	26.87	35.97	47	12.42	.54	4.34	2.78	0	5½	1.00	5.5
Flightsafety Intl	pilot training centers	26.77	23.16	28	30.45	6.66	21.87	5.44	16	25¼	1.26	20.0
Pic 'n Pay Stores	self-service shoe chain	26.75	20.47	18	84.80	5.46	6.43	8.89	24	12½	1.82	6.8
Comshare	time-sharing computer serv	26.70	30.25	31	52.98	4.37	8.24	4.33	51	15½	1.31	11.8
Brenco	bearings for RR freight cars	26.61	28.63	21	62.22	11.35	18.24	4.75	0	19	1.36	13.9
O'Sullivan	heels & soles; plastic parts	26.50	21.15	30	55.02	3.83	6.96	15.03	0	14⅛	3.18	4.4
Reliable Investors	finl holding co-insurance	26.27	22.55	43	25.97	4.09	15.71	11.35	27	12¼	2.56	4.7
Continuous Curve CL	soft lenses & ancillary prods	26.17	24.42	51	21.19	2.72	12.83	7.00	4	23	1.71	13.4

*Latest fiscal year.

Company	Principal business	Return on equity 5-year average	Return on equity latest 12 months	EPS 5-year growth rate	Net sales* (mil)	Net income* (mil)	Net profit margin*	Book value per share	Debt as % of book	Recent price	EPS last 12 months	P/E ratio
PBA	air freight forwarding	26.17%	49.73%	49%	$73.81	$ 2.54	3.44%	$ 3.78	0%	17	$1.88	9.0
Shared Medical Sys	computer serv for hospitals	26.06	26.00	39	63.05	8.60	13.63	6.19	2	28	1.61	17.3
Doyle Dane Bernbach	advertising agency	26.04	33.64	150	88.91	7.62	8.57	9.51	1	20½	3.20	6.4
Cyclotron	mfr compact cyclotrons	25.93	30.32	105	6.03	.64	10.61	2.77	6	11½	.84	13.6
JL Clark Mfg	containers; metal, plastics	25.92	26.64	20	92.50	11.10	12.00	10.66	5	28½	2.84	10.0
Kroy Inds	plastic molds & prods	25.89	32.04	50	39.87	2.89	7.24	6.99	55	22	2.24	9.8
Belco Pollution Control	air pollut control equip	25.85	26.62	38	29.54	.92	3.11	4.77	0	5¼	1.27	4.5
Augat	mfr of electronic components	25.75	22.76	26	78.96	9.39	11.89	6.94	10	24¼	1.58	15.3
Plantronics	mfr telecom eq; headsets	25.71	19.16	19	86.58	8.73	10.08	7.41	13	19¼	1.42	13.5
Struthers Wells	elec generating equip	25.40	21.95	18	50.29	1.39	2.76	4.60	34	18⅞	1.01	18.6
Amer Income Life Ins	life, accident, health ins	25.35	32.61	46	65.14	7.47	11.46	8.31	0	24¾	2.71	9.1
McRae Consol O&G	oil & gas; pipeline	25.21	23.98	35	68.86	7.53	10.93	5.17	22	26½	1.24	21.3
Genl Semiconductor	semiconductor devices	25.14	23.05	27	8.55	.97	11.34	4.12	27	10	.95	10.5
Sensormatic Electronics	electronic surveillance eq	25.14	31.69	50	27.56	4.43	16.07	5.08	17	21⅞	1.61	13.5
Solon Automated Svc	apt house coin-op laundry	25.05	21.42	23	57.70	5.01	8.68	8.73	84	6½	1.87	3.4
Progressive Corp	hi-risk insurance	25.01	22.56	31	95.69	8.51	8.89	15.29	63	19	3.45	5.5
Trus Joist	prefab joists for construction	24.90	27.95	43	78.42	5.56	7.09	6.01	20	19⅝	1.68	11.6
Fair Lanes	recreation, food, real estate	24.72	18.21	20	49.68	4.42	8.89	4.83	72	6⅝	.88	7.5
Data Card	plastic card embossing equip	24.37	21.28	31	44.41	3.94	8.87	7.00	40	19¼	1.49	12.9
JB's Big Boy Family	family-type restaurants	24.31	21.48	16	35.03	1.26	3.59	2.56	90	3⅜	.55	6.1
Gelman Sciences	lab diagnostic prods	24.21	20.87	22	34.38	1.83	5.32	5.46	65	20⅜	1.14	17.8
Porta Systems	mfr telecommns equip	23.90	13.04	108	15.08	1.75	11.60	12.42	0	8¼	1.62	5.4
American Precision Inds	pollution control prods	23.85	18.97	23	22.44	1.38	6.14	8.01	11	10	1.52	6.5
Analog Devices	electr measure/contr prods	23.85	21.97	28	66.15	4.49	6.78	5.87	63	20⅝	1.29	15.9
Chattem	proprietary prods & chems	23.77	19.36	20	62.23	3.08	4.94	6.66	92	7¼	1.29	5.6
Grey Advertising	advertising agency	23.73	27.70	48	76.30	5.44	7.12	33.60	2	35	9.31	3.7
On-Line Systems	time-sharing computer svc	23.72	18.10	17	29.25	2.19	7.48	9.17	51	23⅜	1.66	14.2
Jhirmack Enterprises	hair & skin care prods	23.69	26.81	80	21.57	3.66	16.96	5.11	3	10¼	1.37	7.4
Quaker Chemical	specialty chemical prods	23.64	20.99	21	76.13	7.87	10.33	20.39	0	30	4.28	7.0
TeleSciences	telecommunications equip	23.56	23.73	38	28.52	4.32	15.14	6.32	2	15⅝	1.50	10.2
CRS Group	architecture, engr, plans	23.47	16.66	17	50.58	2.85	5.63	12.06	6	11	2.01	5.4
Bolar Pharmaceutical	mfr generic drugs/vitamins	23.41	40.10	43	5.93	1.23	20.74	3.89	0	18	1.56	11.5
Computer Commns	mfr computer communic eq	23.39	10.07	38	18.65	.51	2.73	1.39	33	6⅜	.14	45.5
Penn Engr & Mfg	captive fasteners; motors	23.38	26.55	23	22.80	3.76	16.49	9.94	0	15½	2.64	5.8
Schaak Electronics	retail consumer electron	23.23	35.15	135	40.94	1.82	4.44	4.21	19	7	1.48	4.7
Community Psych Ctrs	oper psychiatric hospitals	23.12	28.77	34	32.92	4.88	14.82	7.02	46	23¾	2.02	11.7
John H Harland	print checks & deposit slips	23.09	20.51	19	75.27	7.37	9.79	14.62	0	31½	3.00	10.5
MTS Systems	mfr testing systems	23.07	22.01	36	44.96	3.54	7.87	11.40	43	27¼	2.51	10.8
National Gas & Oil	natural gas in Ohio	22.99	19.29	22	28.06	2.64	9.40	13.99	4	15¼	2.70	5.6
Simmonds Precision	measure, display, control sys	22.98	19.44	17	98.40	5.13	5.21	7.25	32	13¼	1.41	9.3
Fritzi Calif Mfg	women's sportswear	22.92	18.15	31	57.26	2.34	4.08	15.31	2	9¼	2.78	3.3
John Fluke Mfg	test/measure instrum/sys	22.86	21.11	27	79.49	6.80	8.55	6.82	25	20¾	1.44	14.4
Century 21 Real Estate	service to local brokers	22.83	68.25	107	36.52	5.35	14.64	2.52	0	26⅜	1.72	15.3
Data-Design Labs	engineering service/prods	22.78	24.04	20	45.25	1.88	4.15	5.99	77	10½	1.44	7.2
Emerson Radio	home entertainment equip	22.74	27.01	133	74.18	3.16	4.25	5.70	72	12¼	1.54	8.2
Southern Bancorp SC	bank hldg; South Carolina	22.64	26.01	27	41.10	4.33	10.53	9.11	35	9¼	2.37	4.1
Lindberg	heat treating of metals	22.63	24.71	17	57.76	4.13	7.15	6.19	33	11½	1.53	7.5
Natl Computer System	optical mark/read process	22.60	20.37	37	29.56	2.82	9.53	6.48	7	20¼	1.32	15.7
Sturm, Ruger & Co	pistols, revolvers & rifles	22.58	19.12	25	59.83	7.01	11.71	25.25	0	35½	4.83	7.3
Pato Cons Gold Dredg	mining—gold dredging	22.34	24.04	43	10.84	9.05	83.48	11.27	0	16¼	2.71	5.9
Preway	heaters, fireplaces, ranges	22.28	29.12	40	55.93	4.07	7.27	8.72	65	20¼	2.54	8.1
Tennant	indl sweepers & scrubbers	22.22	23.83	17	80.74	7.62	9.43	12.88	0	29½	3.07	9.6
Ambassador Group	insurance holding co	22.21	26.81	55	25.36	3.49	13.76	6.34	9	10¾	1.70	6.3
Allergan Pharmaceut	pharmaceuticals ophthalmic	22.13	24.90	119	62.37	9.44	15.13	10.08	17	27⅝	2.51	11.0
Merry Cos	mfr brick	22.02	29.28	171	31.24	3.66	11.71	10.45	79	11	3.06	3.5
Kent-Moore	mfr spec svc tools, equip	21.98	23.22	17	72.42	6.05	8.35	18.04	6	23	4.19	5.4
Zero	electronic packaging	21.94	22.36	23	56.56	3.82	6.75	9.97	57	20	2.23	8.9
Calif Microwave	telecomm & avionics equip	21.86	21.99	47	40.04	2.37	5.91	5.32	36	17	1.17	14.5
Chilton	consumer credit reporting	21.82	21.43	40	32.91	1.97	5.98	6.39	63	6⅛	1.37	4.4
Gross Telecasting	broadcast'g: tv, radio	21.81	24.03	21	9.70	2.47	25.46	13.94	0	23⅞	3.35	7.1
Evans-Aristocrat Inds	tapes, rules; billfolds, purses	21.76	23.07	29	19.01	2.62	13.78	7.54	0	14¾	1.74	8.4
Intl General Inds	fabricated metal prod	21.74	29.49	22	98.16	10.22	10.41	22.82	54	28¾	6.73	4.2
Analogic	data conversion products	21.59	34.38	100	35.15	3.05	8.67	3.81	67	18½	1.31	14.1
Sigma-Aldrich	biochem & organic prods	21.45	19.18	15	67.84	9.24	13.62	12.72	0	35	2.44	14.3
Alpine Intl	mfr/broker veneer, plywood	21.38	20.25	101	33.89	1.20	3.54	2.37	69	1⅝	.48	3.3
Vernitron	healthcare & scientific prods	21.33	19.38	20	80.06	4.07	5.08	6.14	79	6½	1.19	5.4
Govt Services S&L	savings & loan, Maryland	21.31	18.92	140	28.45	2.61	9.17	13.90	28	7¼	2.63	2.7

*Latest fiscal year.

One Scottish industrial worker in six is paid in dollars and cents.



When Scottish industrial workers wave the flag, it's likely to be stars and stripes for about 15% of them. In fact, 95,000 Scots collect their pay from American companies. Multinationals like Cummins Engine, Polaroid and Motorola. Just three of the 200 U.S. companies making everything from cameras to chemicals, engines to advanced electronics. Grossing, last year, over $4 billion on their production. And with current Scottish expansion programs totalling over $350 million.

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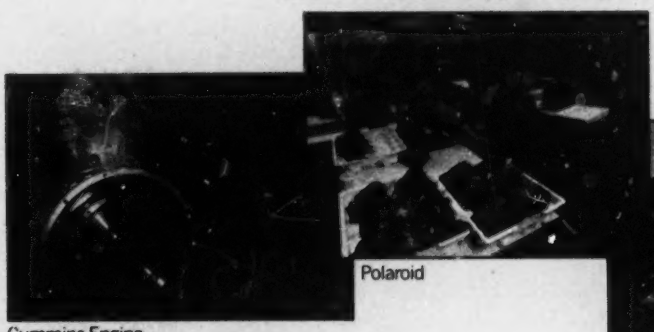
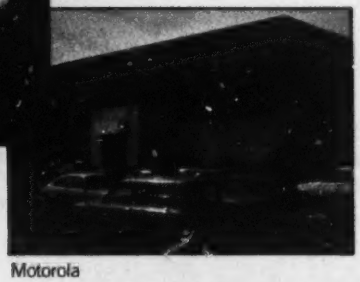


Cummins Engine

Polaroid



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"Fox" McGraw, 62, operates a coating line in Armco's Middletown, Ohio, steel works.

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ARMCO

Up-And-Comers class of '79

Company	Principal business	Return on equity 5-year average	Return on equity latest 12 months	EPS 5-year growth rate	Net sales* (mil)	Net income* (mil)	Net profit margin*	Book value per share	Debt as % of book	Recent price	EPS last 12 months	P/E ratio
Scope Inds	waste recycl'g; beauty sch	21.30%	12.34%	36%	$20.31	$ 2.55	$12.55	$43.10	3%	42¼	$5.32	8.0
Shop & Go	convenience food stores	21.18	24.39	22	94.37	3.09	3.27	8.69	38	12¾	2.12	6.0
Security-Conn Life	life, health, credit ins	21.15	24.36	40	53.33	7.92	14.85	12.52	0	41	3.05	13.4
Elias Bros Restaurants	restaurants; concessionaire	21.01	18.58	22	52.15	2.14	4.10	5.81	81	5	1.08	4.6
Jamesbury	ball valves, control devices	20.95	19.47	19	77.74	5.31	6.83	8.06	35	15½	1.57	9.8
Peerless Chain	automotive & indl chain	20.85	24.56	22	32.26	4.07	12.61	10.95	1	14½	2.69	5.3
Great American Inds	rubber & recreation prods	20.80	15.33	15	99.28	2.94	2.96	12.91	63	7⅞	1.98	3.9
Ore Portland Cement	portland cement, limestone	20.80	23.43	38	45.60	6.85	15.02	34.95	89	60	8.19	7.3
Petroleum Equip Tools	rent tools & drill pipe	20.72	28.05	76	37.81	6.16	16.29	6.13	61	21	1.72	12.2
Sierra Research	mfr & ser computer sys	20.69	20.17	16	28.95	.99	3.41	8.23	33	10¾	1.66	6.4
Frank's Nursery	garden supply retailer	20.66	18.20	18	84.57	3.21	3.79	8.35	98	9⅛	1.52	6.0
Winn's Stores	retail variety stores, Texas	20.65	18.14	16	73.13	4.81	6.57	11.13	0	17¾	2.02	8.7
Newport Electronics	mfr electronics instrum	20.63	22.65	41	9.13	.62	6.79	3.09	11	6½	.70	9.2
Shopsmith	power woodworking tools	20.61	54.76	68	16.07	.74	4.60	1.68	34	6¾	.92	7.3
Preferred Risk Life	life ins-nondrinkers	20.55	18.23	16	15.02	3.22	21.43	14.48	0	19¾	2.64	7.4
Redcor	electronic parts mfr	20.55	28.21	56	16.04	1.74	10.84	4.43	3	16¾	1.25	13.4
Computer Products	mfr electronic equip	20.52	19.71	44	10.58	1.15	10.86	2.84	0	9⅝	.56	17.1
Hunt Mfg	art & office supplies	20.32	19.22	17	43.31	2.70	6.23	10.56	17	18¼	2.03	8.9
Pioneer Std Electronics	distr electronic components	20.31	20.08	20	66.73	2.82	4.22	8.91	7	14	1.79	7.8
Paul Mueller	stainless steel equip	20.29	16.74	16	47.33	4.43	9.35	21.86	0	27	3.66	7.3
Southwestern Energy	integrated natural gas util	20.26	20.73	15	33.50	7.10	21.19	8.15	36	24½	1.69	14.4
Cascade	hydraulic equipment	20.25	26.73	33	78.91	5.75	7.28	36.69	38	33	9.81	3.3
Transport Life Ins	life, accident, health ins	20.12	23.19	31	73.14	6.02	8.23	9.27	49	14½	2.15	6.7
Calprop	home development; rentals	20.00	48.01	131	10.05	1.20	11.94	3.02	0	4⅜	1.45	3.1
National Education	correspondence schools	19.91	23.10	99	26.25	2.36	8.99	7.14	27	10	1.65	6.0
Van Dusen Air	wholesale aviation parts	19.89	18.72	19	89.71	3.08	3.43	8.65	61	14¾	1.62	9.1
Instrumentation Lab	biomedical/scient instrum	19.87	21.45	49	87.87	5.51	6.27	9.09	36	15¼	1.95	7.8
Chem-Nuclear Sys	nuclear/indl waste sys	19.82	32.00	65	25.70	3.00	11.67	4.53	23	19½	1.45	13.4
Park Chemical	auto & indl chemical items	19.81	23.11	16	15.36	.89	5.79	12.89	1	15	2.98	5.0
Farinon	microwave radio, multiplex	19.78	15.81	16	92.77	5.68	6.12	7.08	32	13½	1.12	12.0
MacDermid	indust'l metal finish'g chem	19.73	20.60	23	49.06	4.80	9.78	11.21	0	16¾	2.31	7.2
Daniel Woodhead	electrical specialty prods	19.66	17.06	18	36.51	3.16	8.65	5.86	8	12¾	1.00	12.7
Ohio-Sealy Mattress	mattresses & box springs	19.65	18.80	15	46.91	3.31	7.05	7.34	8	12	1.38	8.6
Boothe Financial	computer leasing	19.62	13.82	167	21.92	6.83	31.15	24.45	41	15½	3.38	4.5
Cobe Laboratories	specialized medical equip	19.61	14.96	26	62.80	3.94	6.27	15.24	44	25¼	2.28	11.0
Globe Life & Accident	health & life ins	19.61	17.79	19	91.15	15.04	16.50	15.57	5	24½	2.77	8.8
Apogee Enterprises	auto glass; alum window	19.58	25.05	25	74.21	2.48	3.34	4.75	66	10	1.19	8.4
Veeco Instruments	power supply products & comp	19.51	26.81	48	61.31	7.10	11.58	11.04	13	37⅛	2.96	12.5
New Penn Motor Exp	trucking-genl commodities	19.50	21.09	17	31.54	2.80	8.87	14.08	14	12¼	2.97	4.1
New England Nuclear	radioactive chemicals	19.47	16.56	24	65.83	8.02	12.18	7.85	8	25⅛	1.30	19.3
Precision Castparts	complex investment casting	19.43	20.02	15	54.56	1.95	3.57	8.89	26	17⅜	1.78	9.7
Pacific Scientific	aircraft safety restraint equip	19.40	22.07	58	31.76	4.08	12.84	8.38	5	12	1.85	6.4
Amer Med Bldgs	devel medical bldgs/clinics	19.37	20.52	108	22.37	2.39	10.68	3.02	96	10	.62	16.1
Gorman-Rupp	large, small pump products	19.36	19.32	17	53.18	4.93	9.27	15.52	0	23½	3.00	7.8
TEC	data entry; visual display	19.36	15.27	17	16.20	.83	5.12	6.61	41	7¼	1.01	7.0
Lawter Chemicals	printing ink vehicles, resins	19.35	23.95	16	57.71	9.75	16.89	3.84	2	11⅜	.92	12.3
Avantek	electron communication eq	19.34	27.04	36	25.07	2.38	9.49	7.10	5	36¼	1.92	18.8
Spectra-Physics	gas lasers & accessories	19.32	23.51	33	66.09	5.51	8.33	7.57	19	29⅜	1.78	16.5
Detrex Chemical Inds	chemical specialties	19.18	21.75	21	66.77	3.30	4.94	26.25	7	29	5.71	5.0
Acme Electric	power conversion equip	19.17	13.85	25	43.38	1.99	4.58	5.34	22	5½	.74	7.4
University Patents	bath & area rugs	19.16	6.97	42	11.77	.42	3.56	2.15	21	10	.15	66.6
North Atlantic Inds	electronic eq for mfrs & sys	19.11	31.51	120	12.03	.60	4.98	2.38	74	6	.75	8.0
Perry Drug Stores	drug chain, Michigan	19.04	14.62	35	89.16	2.10	2.35	10.46	44	8½	1.53	5.5
Superior Inds Intl	custom auto accessories	18.94	21.35	69	86.98	5.15	5.92	8.10	40	7⅛	1.73	4.1
Ransburg	electrostatic coating	18.89	19.77	18	71.36	7.68	10.76	21.79	16	34	4.31	7.8
Jensen Inds	household appliances	18.87	20.14	82	21.41	2.56	11.95	7.05	0	5	1.42	3.5
Realist	photofinishing, microfilm	18.77	13.30	33	17.37	.77	4.43	13.08	61	7¾	1.74	4.4
Research	contr instrum't; htg; telecom	18.69	16.62	25	14.22	1.02	7.17	7.82	0	7½	1.30	5.7
Electro-Nite	measure temp molten metal	18.61	25.89	41	20.84	2.24	10.74	8.34	21	15⅞	2.16	7.3
Ennis Business Forms	business forms, paper items	18.60	22.40	24	68.61	3.87	5.64	10.58	27	16½	2.37	6.9
Walbro	mfr carburetors, pumps	18.58	16.68	19	33.10	1.30	3.92	10.73	16	8½	1.79	4.7
Dreyfus	manage/distrib Dreyfus Fund	18.56	26.21	34	25.07	3.55	14.16	10.26	1	17⅞	2.69	6.6
Bristol Products	mfr/distr plumbing supplies	18.54	17.56	39	75.27	3.90	5.18	9.11	61	5	1.60	3.1
Canadian Cablesystem	CATV; tv; int/movie chain	18.54	17.28	16	35.76	9.89	27.65	6.77	21	14⅛	1.17	12.0
Amer States Life Ins	life insurance	18.51	16.13	16	29.62	4.98	16.81	14.69	0	20	2.37	8.4
Magnetic Controls	telecommunications equip	18.51	35.93	52	25.34	.95	3.74	6.40	38	19	2.30	8.2

*Latest fiscal year.

When you're in a lot and business is terrific,

Business *is* good. In 1978 our earnings passed the $200 million mark. And operating income for the first half of 1979 was $117.6 million, an increase of 13% over the same period last year. We expect 1979 to be another record year for Transamerica.

Along with profits come dividends. Shareholders who have maintained their investment in Transamerica have enjoyed dividend increases in each of the past 18 years. Our current rate is $1.12 per share; in the past three years we've raised the dividend rate by 69.7%.

And, with an average return on equity (after tax) of more than 19%, Transamerica is among the leading U.S. companies in terms of return on shareholders' investment.

Yes, business is *very* good. And one important reason is the businesses we're in. Here's a brief look at three of them.

Occidental Life

Occidental Life Insurance Company of California, our major life and health insurance subsidiary, pioneered in marketing affordable term insurance almost 50 years ago. Term insurance gives value-conscious families maximum protection per premium dollar, and is a highly attractive form of insurance in these inflationary times. Nearly 75% of Occidental's ordinary life insurance in force is term, against an industry figure of 33%. In addition to a full line of ordinary life insurance products, Occidental offers a complete line of group life and health insurance coverage.

In the insurance business, as in others, one of the hallmarks of leadership is innovation—the ability to foresee changing customer needs and develop products that respond to them. Throughout its history, Occidental Life has been attuned to the marketplace. As an anticipator, not an imitator.

In term insurance, for example, Occidental is *the* innovative company. And always has been. A good example is Adjustable Term, which combines maximum protection when needs are greatest with flexibility to change type and amount of protection as needs change.

Occidental's innovative approach extends to the pension area, too. In recognition of the special requirements of this field, Occidental was the first life insurer to establish a company devoted exclusively to the sale, servicing and administration of pension business: Transamerica Life and Annuity.

Occidental is also a leading group insurer, and pioneered offering its policyholders with group medical coverage a comprehensive medical rehabilitation program for seriously disabled employees.

There are more than 1800 life and health insurers in North America. Among them, Occidental ranks ninth in life insurance in force—now over $60 billion.

With a highly professional field force of agents and brokers in the United States and Canada, Occidental has developed one of the most effective distribution networks of any life insurer.

Occidental's earnings performance was at an all-time high for the first six months of 1979. Life and health insurance contributed $38.9 million or 33.1% of our six-month operating income, providing a strong, conservative foundation for all our operations.

Transamerica Delaval

Transamerica Delaval, formerly Delaval Turbine, got started in 1893, when Swedish scientist Dr. Carl Gustav Patrik De Laval exhibited the first commercial steam turbine at the Chicago World's Fair. Three-

# of terrific businesses, that's Transamerica.

quarters of a century later, Transamerica Delaval is a leader in the manufacture of precision-engineered products that put energy to work. Diesel engines. Advanced-design turbines. Compressors. Condensers. Pumps. Component equipment like sensors, controls and connectors. For a broad spectrum of industries—including petrochemical, utilities, aerospace.

The whole world uses Transamerica Delaval products. Transamerica Delaval equipment pumps peanut butter in a Chicago factory. Operates stage elevators at the Metropolitan Opera House. Supports an ammonia plant in the People's Republic of China. Recent new orders include centrifugal compressors and steam turbine drivers for the Mexican petrochemical industry; steam propulsion and turbine generator sets for LASH vessels; diesel engines for an Alaska power plant; and solar-powered level controls for chemical-carrying river barges.

Recognized internationally for quality, reliability, and trouble-free performance, Transamerica Delaval's products are top-line. And its bottom line is top-line, too. The company achieved record earnings for the first six months of this year. And its 1978 return on equity was 23.7%, almost double the industry median.

Transamerica Title

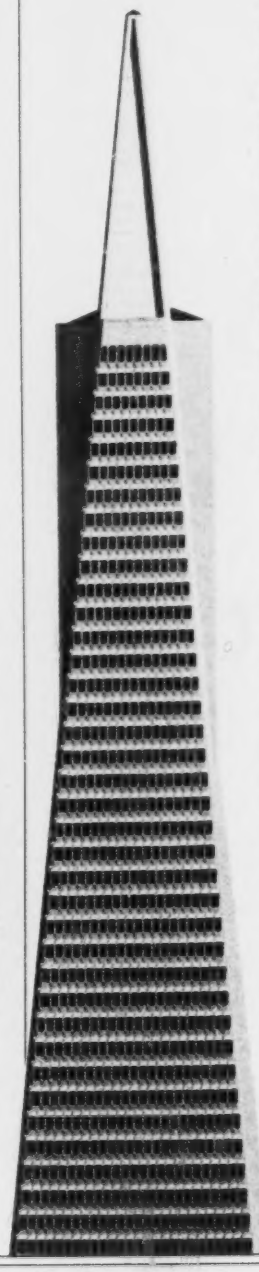
With decades of experience and some 400 offices, Transamerica Title Insurance Company is staffed and organized to serve the needs of real estate professionals as well as buyers and sellers. With maximum efficiency. At reasonable cost.

Transamerica Title offers both title insurance and escrow services under one roof. As a result, the customer enjoys faster, more efficient service and saves money on closing costs.

Transamerica Title insures single family residences and giant commercial projects—such as the Los Angeles Convention Center and Embarcadero Center in San Francisco. The company has pioneered the development of standardized ways to perform the repetitive operations involved in title insurance and escrow transactions. Many routine operations are handled in central offices that serve an entire region, which also results in faster, more uniform service and decreased cost.

Transamerica Title has developed a highly automated paper flow system, using computers to issue title insurance policies and process the closing of real estate transactions. The result is speed, accuracy and a highly professional product.

Transamerica Title is one of the strongest and most consistent performers in the title field. It's also an industry leader in return on equity.



First Rate Service at a Fair Price®

Transamerica is in many different businesses. Insurance. Entertainment. Air travel. Rental cars. Consumer lending. Manufacturing. All our companies have common goals. Industry leadership, in terms of operating efficiency and ROE. Industry leadership in customer satisfaction: providing good service at prices that make sense.

That's Transamerica's business philosophy. And it works. For our customers and for our shareholders.

For a copy of our current financial reports, please write:
Transamerica Corporation
Corporate Relations Department
P.O. Box 7648
San Francisco, CA 94120

Transamerica

First Rate Service at a Fair Price is a registered trademark of Transamerica Corporation.

Up-And-Comers class of '79

Company	Principal business	Return on equity 5-year average	Return on equity latest 12 months	EPS 5-year growth rate	Net sales* (mil)	Net income* (mil)	Net profit margin*	Book value per share	Debt as % of book	Recent price	EPS last 12 months	P/E ratio
Flexsteel Inds	upholstered furniture	18.34%	16.21%	25%	$96.45	$4.43	4.59%	$13.88	27%	11¼	$2.25	5.0
Moore Products	measure/control instruments	18.34	19.04	17	38.54	4.21	10.92	12.81	0	20¾	2.44	8.5
Palmer G Lewis	building material distributor	18.17	17.52	23	94.18	1.98	2.10	8.73	71	10¾	1.53	7.0
SGL Inds	energy conversion products	18.13	17.14	20	48.02	2.25	4.68	10.56	13	10⅞	1.81	6.0
Tokheim	retail gas station equip	18.11	20.85	47	82.08	6.07	7.39	10.55	23	16⅞	2.20	7.6
United Fire & Cas	fire/casualty ins; life	17.99	22.04	34	42.20	4.65	11.01	15.42	3	23¼	3.40	6.8
Webb	magazine publish; genl print	17.96	16.67	17	89.15	4.03	4.52	16.43	86	16	2.74	5.8
Finnigan	spectrometer systems	17.93	22.83	34	29.99	1.68	5.60	5.43	17	14½	1.24	11.6
Country Miss	women's casual apparel	17.79	26.58	28	30.87	1.13	3.66	8.20	30	4⅜	2.18	2.2
Intl R & D	safety eval: drugs, chemicals	17.75	21.24	45	12.40	1.87	15.08	2.73	80	10	.58	17.2
Penril	elec test'g eq; data commun	17.70	28.34	34	14.05	1.18	8.39	3.74	86	9¾	1.06	9.1
Bowne & Co	finance/corporate printing	17.66	17.03	23	70.72	5.44	7.69	17.08	1	22½	2.91	7.7
Gateway Inds	auto seat belts	17.66	14.53	123	52.36	2.48	4.73	13.90	26	8½	2.02	4.2
Logicon	automation by computer	17.64	15.21	15	43.60	1.46	3.34	11.24	0	14⅝	1.71	8.5
King Radio	aviation commun equip	17.59	26.66	40	79.88	7.17	8.97	12.90	3	19¼	3.44	5.5
Tenney Engineering	environmental test equip	17.47	25.33	68	9.14	.53	5.79	2.25	85	4¼	.57	7.4
Natl Life Florida	life, accident, annuity ins	17.34	26.94	43	60.29	3.11	5.15	6.31	56	10	1.70	5.8
Slater Electric	electrical wiring devices	17.32	16.26	26	36.70	2.33	6.34	16.97	34	7¾	2.76	2.8
Vishay Intertech	electronic resistive systems	17.32	21.29	21	30.41	3.01	9.89	6.20	35	7⅞	1.32	5.9
House of Ronnie	mfr lingerie & sportswear	17.28	20.12	23	50.21	3.00	5.97	8.20	8	6⅝	1.65	3.8
Papercraft	gift wrap, tape & adhesive	17.23	18.92	16	80.99	9.17	11.32	15.48	30	20	2.93	6.8
Petro Development	explore, develop, prod'n oil	17.23	22.03	82	12.12	2.11	17.40	1.18	71	4⅜	.26	17.7
Dynamics Research	precision measuring instr	17.09	20.26	34	20.82	.82	3.93	8.93	0	7⅜	1.81	4.0
Acme General	door hardware systems	17.06	20.42	26	40.80	2.67	6.54	10.43	11	10¼	2.13	4.8
Three D Depts	leased dry good departments	17.01	17.68	51	25.43	1.40	5.50	6.05	1	4½	1.07	4.2
Conner Homes	mobile home mfr	16.97	30.38	63	38.75	2.22	5.72	7.24	34	12⅛	2.20	5.5
Natl Security Insur	full line of insurance	16.97	19.34	36	21.67	2.93	13.52	17.68	0	11¼	3.42	3.2
Page Airways	airplane sales & svcs	16.93	18.48	30	72.53	2.71	3.73	16.12	0	13½	2.98	4.5
Frigitronics	eyeglass lenses	16.83	22.81	26	79.89	4.02	5.03	5.61	54	11½	1.28	8.9
North Canadian Oils	oil/gas prodn; pipeline	16.81	15.02	24	19.13	5.27	27.54	5.79	70	14⅞	.87	17.0
Stewart Information	title insurance	16.80	19.67	184	61.67	6.35	10.29	29.33	21	23¾	5.77	4.1
Frequency Sources	mfr electr comp; research	16.77	18.68	46	17.41	1.00	5.74	3.64	24	10⅝	.68	15.2
Dunkin' Donuts	donut shops; franchising	16.76	16.05	25	57.10	3.76	6.58	12.33	74	10¾	1.98	5.4
Ziegler	invest banking, financing	16.70	11.50	36	22.43	4.55	20.28	9.91	25	5⅞	1.14	5.1
Brooks & Perkins	air cargo/ind mtl hdlg eq	16.68	17.65	22	56.64	1.85	3.26	8.61	29	12	1.52	7.8
Cornelius	beverage/food dispensers	16.67	20.84	39	93.36	4.44	4.75	11.08	96	17	2.31	7.3
Security Bancorp	bank holding co	16.66	18.73	18	61.45	7.55	12.28	20.76	27	18½	3.89	4.7
Sykes Datatronics	data storage systems	16.56	22.59	71	6.55	.51	7.78	2.39	54	16¼	.54	30.0
Wavetek	electronic test instrument	16.55	17.20	25	25.67	1.61	6.27	7.44	6	13¼	1.28	10.3
United Aircraft Prods	aircraft engine components	16.52	19.70	21	16.04	1.77	11.03	9.44	0	15⅞	1.86	8.5
Piper, Jaffray	regional securities firm	16.42	15.17	16	44.54	3.22	7.22	17.86	6	15	2.71	5.5
Numac Oil & Gas	Canada oil/gas; field const	16.38	18.72	35	11.19	6.61	59.07	4.22	12	34¼	.79	43.9
Binney & Smith	art materials; wax crayons	16.32	19.00	23	75.00	6.69	8.92	11.05	29	22⅝	2.10	10.7
Oakwood Homes	mobile home mfr/retailer	16.30	17.51	22	45.00	2.75	6.11	13.02	10	14½	2.28	6.3
Timberland Industries	wood and building products	16.25	13.87	32	93.35	1.27	1.36	6.99	24	6½	.97	6.7
Concept	mfr med & surgical prods	16.21	14.93	21	8.61	.83	9.63	2.21	0	6¼	.33	18.9
Canadian Merrill Ltd	oil & gas; copper mining	16.20	11.23	33	21.32	2.26	10.60	8.37	73	19¼	.94	20.4
Gilford Instr Lab	spectrophotometers	16.13	10.72	18	31.46	1.66	5.27	9.42	16	11½	1.01	11.3
Telerent Leasing	leases TV, elec eq to instit	16.13	17.67	17	8.56	1.47	17.17	5.60	97	5⅝	.99	5.6
DAB Inds	engine components	16.12	14.38	25	53.66	2.83	5.27	15.29	2	8¼	2.20	3.7
Central Natl Finl	life, health, accident ins	16.11	26.56	62	21.69	1.60	7.37	7.19	0	7¼	1.91	3.7
Amer Guaranty Finl	ins/other finl svc	16.08	16.32	28	25.17	2.69	10.68	6.80	69	6¾	1.11	6.0
Lydall	specialty papers & packaging	16.07	16.12	21	91.74	3.26	3.55	10.11	73	9⅝	1.63	5.9
RG Barry	slippers, comfort footwear	16.06	17.49	24	85.85	3.88	4.51	6.86	87	8	1.20	6.6
Tremco	bldg mat'ls & constr prods	16.05	17.78	21	91.34	6.10	6.67	14.00	8	0	2.49	0
Andersen Group	high precision delay lines	16.00	19.40	119	19.24	.81	4.20	6.08	74	6¾	1.18	5.7
Fab Inds	mfr fabrics, knits, laces	15.99	26.92	63	83.85	6.86	8.18	13.00	2	11	3.50	3.1
Amer Indem/Finl	property & casualty ins	15.98	17.87	38	69.09	5.45	7.88	22.66	6	17¾	4.05	4.3
Colonial Life & Acc	personal accident ins	15.97	18.21	26	78.33	11.55	14.74	14.44	0	15½	2.63	5.8
Anderson Inds	steel fabrication	15.92	18.89	20	34.22	1.99	5.81	5.08	10	4⅞	.96	5.0
Woodstream	sporting equip-tackle, boat	15.88	17.22	16	42.48	2.09	4.91	12.19	47	9⅜	2.10	4.4
Altamil	truck hdware, boxes, forging	15.83	19.81	48	74.04	3.60	4.86	14.84	21	14¼	2.94	4.8
Analysts Intl	computer program'g svcs	15.83	22.54	23	12.30	.49	3.98	2.44	8	4½	.55	8.1
Callon Petroleum	domestic prodn, oil & gas	15.75	17.26	61	7.31	1.55	21.20	2.49	25	7	.43	16.2
CSE	civil svc ins holding co	15.73	17.96	19	49.82	3.85	7.72	21.21	0	22¾	3.81	5.9
Allen Organ	mfr electronic organs	15.72	14.44	27	15.16	1.92	12.66	20.90	0	17	3.02	5.6
Raymond	electric lift trucks	15.66	18.03	27	76.86	4.65	6.04	18.19	32	20½	3.28	6.2
Big Drum	pack'g prods; sugar cones	15.62	13.80	15	32.65	2.28	6.98	12.82	25	11	1.77	6.2
Tab Products	office/computer access eq	15.60	17.52	18	68.18	2.57	3.76	13.01	47	15	2.28	6.5
Aero-Flow Dynamics	marine, industrial distrib	15.58	15.61	47	61.42	2.29	3.72	21.13	13	17⅜	3.30	5.2

*Latest fiscal year.

A lad's playtime is often a mirror of the grown-up world.

This youngster's toy loading system duplicates in miniature a function basic to the productive life of our entire society: the mass movement and handling of materials.

FMC is in it for real. Our material handling systems and power transmission equipment are operating all over the world. Moving chemicals, coal, ores, petroleum, appliances, parts, foods, even air cargoes. Raw products and finished products. Up and down mountains, on and off production lines, in and out of freight terminals.

It would be hard to find a product you use for which FMC equipment has not performed, at some point or other, a conveying or handling function.

Tell us your needs. FMC serves worldwide markets for construction and mining equipment, petroleum and fluid control equipment, food and agricultural machinery, industrial and agricultural chemicals. Write FMC Corporation, 200 East Randolph Drive, Chicago 60601. Or call 800-621-4500 (in Illinois: 312-861-5900).

FMC

Westinghouse ...when it comes to harnessing energy

The sources of energy are like a herd of wild horses. Some, like oil, water, coal, gas and the atom have already been captured, tamed and harnessed.

For nearly 100 years, Westinghouse has been helping to put energy sources to work to generate electrical power.

But our expertise in working with electricity only begins with generation.

For years we've been a leader in the distribution, transmission and utilization of energy for industry and home.

Now Westinghouse is going after the more elusive sources of energy like solar, fusion, ocean-thermal and wind.

Until we can capture the sun's energy, until we can harness the heat of the earth, we can count on a team of reliables to keep us supplied with electric power: coal, oil, and conventional nuclear energy.

Westinghouse

A powerful part of your life.

Up-And-Comers class of '79

Company	Principal business	Return on equity 5-year average	Return on equity latest 12 months	EPS 5-year growth rate	Net sales* (mil)	Net income* (mil)	Net profit margin*	Book value per share	Debt as % of book	Recent price	EPS last 12 months	P/E ratio
Galaxy Carpet Mills	mfr & distrib tufted carpets	15.57%	13.45%	41%	$90.79	$ 3.55	3.91%	$7.43	79%	5⅝	$1.00	5.6
Barry Wright	data center equip	15.51	21.39	28	70.44	5.02	7.12	8.18	5	17¾	1.75	10.1
Buffalo Forge	blower/fan/pump/mach tools	15.48	13.63	28	96.22	5.10	5.30	33.14	18	33½	4.52	7.4
Super Dollar Stores	retail discount stores	15.46	19.91	65	43.75	1.18	2.69	6.98	56	4¾	1.39	3.4
Brooks-Scanlon	mfr & sale of lumber	15.45	13.01	19	96.66	9.79	10.12	26.90	2	36	3.50	10.2
Technitrol	electronic/mech products	15.45	13.82	22	27.06	1.36	5.02	8.03	0	5	1.11	4.5
Olsten	provide temp work forces	15.39	22.99	49	61.62	2.23	3.61	5.35	3	7¼	1.23	5.8
SCI Systems	electronic prod/sys	15.37	9.03	29	36.77	1.41	3.83	9.08	21	9¾	.82	11.8
Bancwest	bank hldg, San Jose, Calif	15.26	17.13	15	46.65	4.49	9.62	22.53	56	40	3.86	10.3
Allright Auto Parks	operates parking facilities	15.23	15.87	20	68.37	4.65	6.80	11.21	36	16⅛	1.78	9.0
Heilig-Meyers	retail furniture stores	15.22	14.57	19	70.40	4.43	6.29	10.98	54	7¾	1.60	4.8
United Guaranty	mortgage guaranty insurance	15.20	19.34	69	39.17	13.74	35.07	15.82	19	25½	3.06	8.3
Monarch Machine Tool	lathes for metal-wkg indy	15.18	16.54	15	78.70	5.39	6.84	20.73	1	15½	3.43	4.5
Acme United	shears, scissors, medic equip	15.17	17.15	20	26.75	1.77	6.61	5.83	70	13⅛	1.00	13.1
Knogo	electronic detector systems	15.17	16.49	59	11.22	1.90	16.93	8.73	2	17¼	1.44	11.9
Alpha Inds	microwave comp., & devices	15.14	24.29	131	16.37	1.33	8.12	4.94	22	14	1.20	11.6
Schwab Safe	mfr safes, record protection	15.06	18.32	37	8.74	.57	6.52	5.62	8	7	1.03	6.7
Hansen Mfg	mfr fluid line couplings	15.04	19.86	23	17.23	1.71	9.92	16.26	0	31	3.23	9.5
Lazare Kaplan Intl	cutter/merchant diamonds	15.02	14.12	83	40.14	3.45	8.59	16.57	0	12¾	2.34	5.4
Products Research	sealants, coatings, spec chem	15.02	13.13	15	56.64	2.68	4.73	6.85	26	11¾	.90	12.5

*Latest fiscal year.
Source: Standard & Poor's.

"Buy brains," suggests Chairman William T. Comfort, of Citicorp Venture Capital Ltd.

Moneyman Bill Comfort

"Best inflation hedge of all"

The Up-And-Comers

THERE'S MY FATHER-IN-LAW sitting in municipals . . . *dumbest* thing he could be doing!" says Citicorp Venture Capital Ltd. Chairman William T. Comfort with a crisp, cheery audacity that reflects a happy blend of Oklahoma and Wall Street. "He should be in these small growth companies. When you can buy a growth company at 10 to 12 times earnings, and those earnings are growing at 25% to 50% a year, you can't find a better hedge against inflation! People ask, do I buy gold? do I buy land? Buy brains! There is nothing better than buying brilliant human minds who are able to cope as the economy changes."

Comfort, one of the blithe spirits of the financial community, likes to behave as if banking were a hugely enjoyable battle of wits, and is admittedly biased. He is in the business of selecting which "brilliant human minds" will get backing from Citicorp's venture capital arm. Formed in 1968, its portfolio is worth in excess of $120 million in the current market on the strength of investments in companies like James River Corp. of Virginia, Datapoint Corp. and Federal Express Corp. and has put $28 million into new investments so far this year. This is the biggest Small Business Investment Co. (SBIC) in the country. At 42, Comfort is an experienced investment banker, with 6 years at Citicorp after 12 at W.E. Hutton & Co., now part of Thomson McKinnon Securities Inc.

"Everyone has made so much money in these small companies," says Comfort. "Just look at all the new partnerships that have come into existence. My predecessors here—three guys named Welch, Carson and Barth—went out on their own and raised $33 million from pension funds, bank trust departments and corporations last year. One of our fellows on the coast left, started his own venture group and raised $20 million. There's no money crunch in venture capital, and there won't be for some time. If anything, there's too much money chasing too few deals. And you'd expect that, because where else can you do better for your customers?"

Five years ago they weren't singing so happy a tune in venture capital. Many banks rushed into venture capital when they were permitted their own SBICs in 1968. Burned, many of them pulled out with heavy losses following the oil embargo. "In 1973-74 it looked as if the house was coming down in this business," says Comfort. "The only thing wrong with their strategy, aside from making too many investments with too little homework, was that they started when the price/earnings multiples were too high."

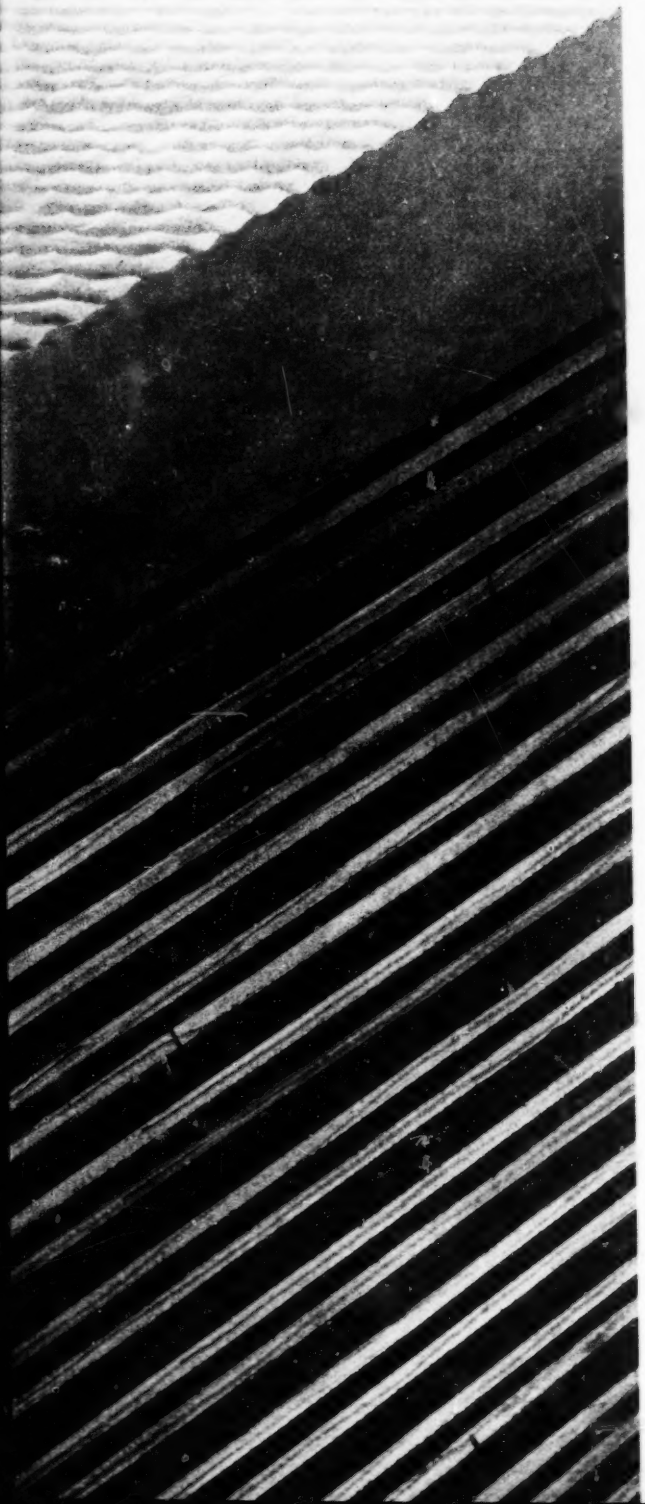
Don't go into small growth companies if you get stomach palpitations at breakfast reading that the stock market is off

Rising stars

Companies for which Wall Street predicts at least 25% growth in earnings per share in 1980 above 1979.

Company	Recent price	Fiscal year ends	Earnings per share — IBES† estimates 1978*	1979*	1980*	Increase of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	1980
Coachmen Inds	6	Dec	$ 2.29	$0.07	$1.12	1388.89%	5.26	1126.78%	39.12%
UAL	24¾	Dec	11.93	0.45	5.12	1031.35	4.89	446.03	30.17
Metpath	26⅛	Sept	1.75	0.98	2.29	133.68	11.60	11.74	17.96
Santa Fe Intl	32⅜	Dec	2.67	1.29	2.98	130.53	10.96	73.17	15.36
Bally Mfg	34⅝	Dec	1.28	1.56	3.37	116.27	10.84	8.87	9.84
AM Intl	16¼	July	2.54	1.15	2.48	115.11	6.69	44.60	22.26
American Quasar Petroleum	26½	Dec	0.33	0.45	0.95	111.11	26.58	67.28	50.21
Combustion Equip Assoc	10¾	Mar	–0.72	0.47	0.95	102.56	11.45	42.13	18.98
Inco Ltd	22¾	Dec	0.77	1.13	2.07	82.72	11.17	53.12	33.45
Fotomat	7¼	Jan	0.77	0.42	0.75	77.08	10.38	45.01	18.40
Tom Brown	26	Mar	0.01	0.56	0.98	74.81	27.46	22.22	28.00
Jonathan Logan	12¼	Dec	1.77	1.36	2.15	57.93	5.69	30.22	41.89
AE Staley Mfg	30½	Sept	1.26	1.90	2.97	56.43	9.67	5.95	12.84
Cray Research	42¾	Dec	0.65	2.27	3.50	54.23	12.64	20.50	14.29
Amdahl	18⅞	Dec	2.86	1.52	2.32	52.99	8.89	27.55	44.94
Westmoreland Coal	28½	Dec	0.20	1.27	1.92	50.59	14.71	15.27	23.75
GCA	39½	Dec	1.40	2.32	3.47	49.46	10.76	5.12	11.84
Forest Oil	24	Dec	1.29	1.19	1.73	46.25	13.26	7.28	14.31
Gearhart-Owen Inds	44	Jan	2.13	2.37	3.44	45.12	13.09	8.05	6.35
Envirotech	19	Mar	1.48	1.49	2.12	42.72	8.94	13.41	17.72
Wang Labs	24⅛	June	0.69	1.17	1.65	42.64	15.14	2.68	6.73
Waters Assoc	25¼	Dec	1.57	1.82	2.52	38.92	9.91	9.47	15.36
Ocean Drilling & Expl	68¾	Dec	2.23	3.74	5.19	38.88	13.10	14.20	16.19
Mark Controls	13⅞	Dec	0.93	1.24	1.70	37.49	8.24	16.73	5.10
SCA Services	8½	Mar	0.70	1.00	1.36	36.00	6.25	5.00	6.58
Transcon Lines	8¾	Dec	1.70	1.11	1.50	35.34	6.58	31.31	15.15
Prime Computer	18½	Dec	0.73	1.24	1.67	35.00	10.91	2.80	6.60
National Semiconductor	32½	May	2.57	3.05	4.11	34.87	7.66	13.21	25.20
Polaroid	28⅛	Dec	3.60	2.65	3.56	34.43	8.01	21.67	13.72
Grumman	19⅝	Dec	2.28	2.28	3.05	33.66	6.55	9.96	24.67
Varian Assoc	25¼	Sept	1.49	2.12	2.83	33.56	9.26	25.38	9.90
Dataproducts	17⅜	Mar	1.85	1.75	2.34	33.20	7.59	8.72	14.66
Humana	34½	Aug	1.51	2.61	3.47	32.93	9.70	3.61	3.78
Watkins-Johnson	26¼	Dec	0.70	2.65	3.51	32.55	7.54	6.35	7.91
Sony	7¾	Oct	0.61	0.61	0.81	32.43	10.03	19.36	10.14
Computervision	41	Dec	1.03	1.95	2.58	32.31	15.12	2.56	3.24
Storage Technology	18	Dec	1.14	1.71	2.25	31.79	8.04	2.52	7.95
First Pennsylvania	13⅛	Dec	2.13	1.81	2.39	31.72	5.50	4.09	4.32
TelePrompTer	18½	Dec	0.76	1.21	1.59	31.40	11.40	6.79	8.44
Victoria Station	15¾	Mar	1.13	1.19	1.57	31.34	10.53	19.42	25.80
Noble Affiliates	38¼	Dec	1.78	2.09	2.75	31.07	13.88	3.58	11.42
Western Co-NA	46	Dec	2.98	3.67	4.79	30.73	9.99	2.97	7.52
Data Terminal Sys	44⅜	Jan	2.91	3.63	4.72	30.12	9.66	6.37	14.75
Copeland	21½	Sept	2.90	2.46	3.19	29.97	6.89	9.40	8.33
Newpark Resources	16⅝	Dec	1.33	1.49	1.92	29.48	9.16	4.94	9.77
Coherent	24¼	Sept	1.01	1.62	2.09	29.07	11.24	7.64	5.91
Sherwin-Williams	27	Dec	0.67	2.62	3.38	28.98	7.96	21.16	30.54
Rowan Cos	32	Dec	1.94	2.31	2.98	28.68	11.00	3.96	6.20
Yellow Freight Sys	18½	Dec	2.73	2.30	2.96	28.63	6.49	15.01	14.03
Wyman-Gordon	28½	Dec	3.05	2.75	3.53	28.48	8.07	6.47	7.36
Viacom Intl	32	Dec	1.95	2.56	3.28	28.31	9.68	5.25	4.28
Fleetwood Enterprises	9¼	Apr	2.01	0.92	1.18	28.27	8.03	37.69	19.97
Lockheed Corp	25⅜	Dec	3.81	3.27	4.18	27.92	6.13	6.24	10.79
Allied Chemical	45⅞	Dec	4.25	5.02	6.40	27.46	7.26	13.48	18.69
Pneumo	31⅝	Nov	2.26	3.06	3.89	27.22	8.13	2.89	6.21
US Surgical	25⅛	Dec	1.01	1.35	1.72	27.22	14.97	0.33	3.31
Research-Cottrell	15⅝	Oct	2.15	1.73	2.20	27.12	7.09	3.22	8.02
Lanier Business Prods	38¾	May	2.14	2.80	3.55	26.96	11.43	1.75	6.91
Manufacturing Data Sys	30½	Aug	1.08	1.40	1.77	26.66	17.32	0.26	1.54
Grantree	8	Oct	0.86	0.89	1.13	26.63	7.06	9.85	11.10

*For fiscal years ending June through May of the following year. †See source. ‡Percentage range around the average in which two-thirds of analysts' estimates fall. The lower the percentage, the greater the agreement among analysts.
Source: Institutional Brokers Estimate System; Lynch Jones & Ryan.



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Rising stars

Company	Recent price	Fiscal year ends	Earnings per share IBES† estimates 1978*	1979*	1980*	Increase of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	1980
Certain-teed	18⅞	Dec	$ 3.19	$ 2.05	$ 2.59	26.48%	7.23	27.70%	30.74%
Sea Containers	17½	Dec	3.48	3.72	4.70	26.31	3.85	10.84	6.83
Texas Intl Airlines	10	Dec	1.32	1.52	1.91	25.89	5.49	15.51	21.92
Cross & Trecker	22⅜	Sept	2.10	2.92	3.67	25.64	6.13	3.97	9.01
Federal Natl Mtg Assn	17	Dec	3.47	2.70	3.39	25.53	5.02	4.13	11.71
TeleSciences	16½	Dec	1.35	1.67	2.10	25.37	7.86	7.11	11.17
Plantronics	20½	May	1.39	1.65	2.07	25.25	9.86	5.67	5.59
Archer-Daniels-Midland	24½	June	1.63	2.63	3.29	25.22	7.49	10.22	7.17
Cluett Peabody	9⅞	Dec	1.91	1.89	2.37	25.17	4.17	4.43	14.38
Rolm	34⅝	June	1.50	2.19	2.73	25.02	13.26	8.32	11.18
Wendy's Intl	13¾	Dec	1.66	1.97	2.46	25.00	6.04	4.52	8.85

Big stars

For most of the 30 Dow Jones industrial stocks, 1980 will not be a year of dynamic growth in earnings.

Company	Recent price	Fiscal year ends	Earnings per share IBES† estimates 1978*	1979*	1980*	Increase of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	1980
Allied Chemical	45⅞	Dec	$ 4.25	$ 5.02	$ 6.40	27.46%	7.26	13.48%	18.69%
Aluminum Co Amer	58	Dec	8.66	12.19	9.69	–20.51	6.14	7.70	19.83
American Brands	65½	Dec	7.93	9.79	10.48	7.06	6.15	5.04	2.48
American Can	38	Dec	6.05	6.63	6.83	3.06	5.71	1.70	6.42
American Tel & Tel	55	Dec	7.74	7.98	8.18	2.55	6.77	1.47	2.92
Bethlehem Steel	24⅜	Dec	5.15	6.43	5.27	–18.10	4.81	4.93	7.10
El Du Pont de Nemours	42⅛	Dec	5.39	5.87	5.55	–5.40	7.86	3.68	7.78
Eastman Kodak	53	Dec	5.59	6.21	6.86	10.48	7.77	3.28	3.74
Exxon	60¼	Dec	6.20	8.35	8.61	3.12	6.70	4.53	7.20
General Electric	51¼	Dec	5.39	6.09	6.43	5.62	8.01	2.14	2.57
General Foods	36½	Mar	4.65	5.21	5.70	9.44	6.38	1.60	2.46
General Motors	63¼	Dec	12.24	10.86	9.50	–12.49	6.70	8.75	13.89
Goodyear Tire & Rubber	15⅛	Dec	3.12	2.63	2.76	4.60	5.49	11.94	11.49
Inco Ltd	22¾	Dec	0.77	1.13	2.07	82.72	11.17	53.12	33.45
Intl Business Machines	67⅜	Dec	5.32	5.42	6.30	16.31	10.89	3.30	3.92
International Harvester	40¾	Oct	6.14	9.77	8.60	–11.93	4.72	9.44	17.05
International Paper	42	Dec	4.94	6.33	5.81	–8.25	7.31	3.76	10.90
Johns-Manville Corp	24¾	Dec	5.62	4.56	4.68	2.60	5.40	10.53	11.14
Merck	69¾	Dec	4.07	4.94	5.72	15.78	12.31	1.10	3.19
Minn Mining & Mfg	51½	Dec	4.83	5.39	5.77	6.91	8.93	1.43	3.98
Owens-Illinois	20⅝	Dec	3.44	3.81	3.94	3.30	5.46	4.97	7.01
Procter & Gamble	78⅜	June	6.99	7.66	8.52	11.27	9.21	0.89	1.26
Sears, Roebuck	19⅝	Jan	2.86	2.80	3.02	7.92	6.42	3.79	4.99
Standard Oil Co Calif	58¾	Dec	6.48	8.62	8.81	2.31	6.61	7.09	6.28
Texaco	31¼	Dec	3.14	4.91	4.88	–0.64	6.35	6.24	7.84
Union Carbide Corp	43⅛	Dec	6.09	7.42	6.82	–7.96	6.37	6.05	7.68
US Steel	23¾	Dec	2.85	4.31	4.14	–3.86	5.88	9.72	13.55
United Technologies	41¾	Dec	4.76	5.59	6.23	11.33	6.74	2.82	1.75
Westinghouse Elec	20	Dec	3.59	3.74	4.27	14.01	4.83	5.46	5.10
FW Woolworth	30¾	Jan	4.34	4.58	5.14	12.20	6.05	7.00	11.46
Dow Jones industrials			108.25	125.76	127.63				

*For fiscal years ending June through May of the following year. †See source ‡Percentage range around the average in which two-thirds of analysts' estimates fall. The lower the percentage, the greater the agreement among analysts.
Source: Institutional Brokers Estimate System; Lynch Jones & Ryan.

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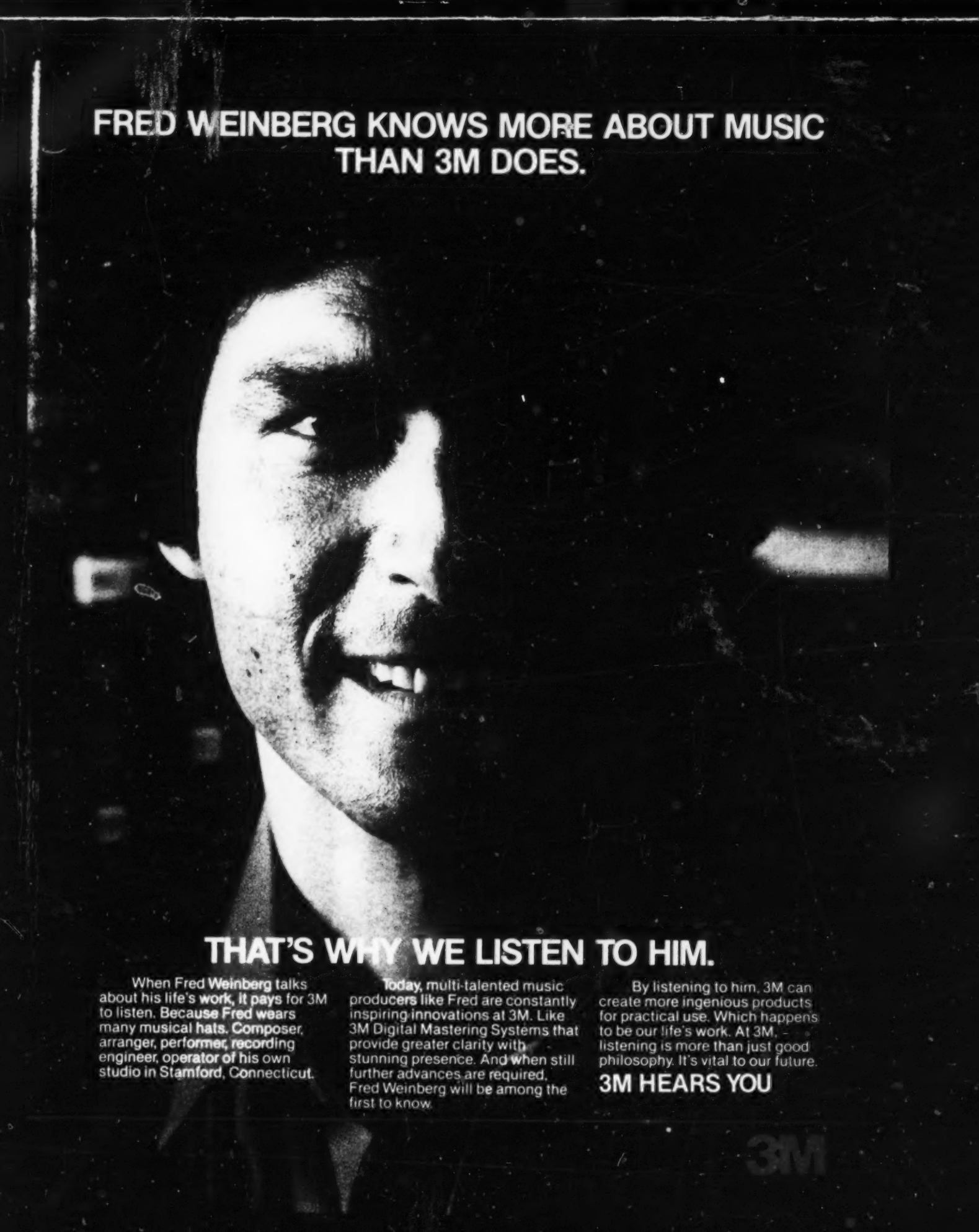

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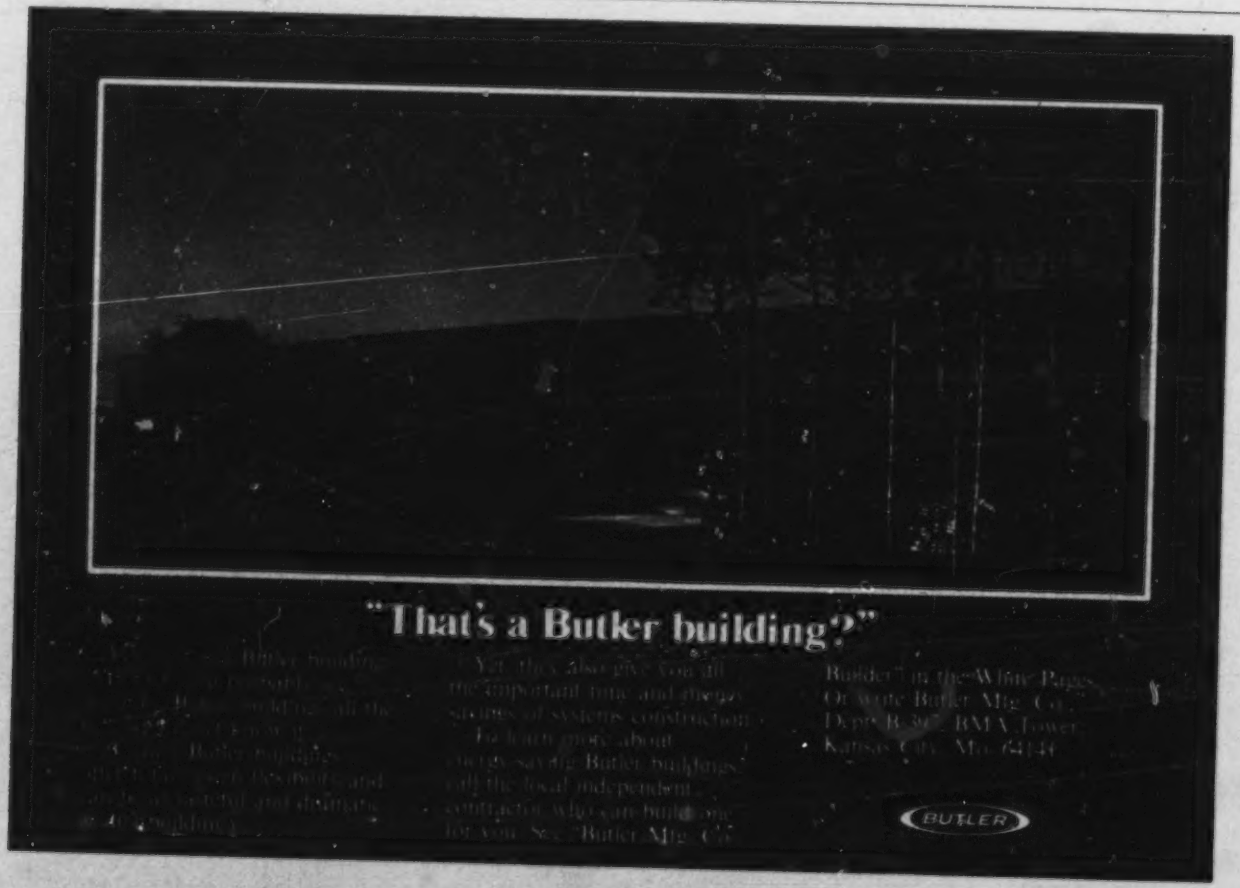
Falling stars

The analysts believe that these 118 companies will have lower earnings in 1980 than in 1979. Escalating fuel costs have landed airlines on the top of the list.

Company	Recent price	Fiscal year ends	Earnings per share IBES† estimates 1978*	1979*	1980*	Decrease of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	1980
American Airlines	12	Dec	$ 4.00	$ 3.16	$ 1.83	-42.00%	6.42	23.94%	45.90%
Trans World	24⅜	Dec	4.20	3.78	2.60	-31.20	9.75	20.18	39.19
Republic Steel	29⅝	Dec	6.86	8.39	6.08	-27.60	5.04	5.58	11.28
LTV	8⅞	Dec	1.49	2.67	1.99	-25.70	4.53	29.18	14.87
United States Gypsum	35⅝	Dec	6.37	7.27	5.49	-24.51	6.74	4.56	14.25
Eastern Air Lines	7⅝	Dec	2.91	1.79	1.38	-22.65	5.51	19.53	45.51
Hyster	42¾	Jan	9.38	9.84	7.64	-22.41	5.45	8.24	24.06
Ford Motor	41¾	Dec	13.35	10.92	8.49	-22.26	4.96	10.94	21.95
Royal Dutch Petroleum	79¼	Dec	10.55	19.89	15.49	-22.13	5.15	13.62	13.79
National Gypsum	22	Dec	3.56	4.49	3.50	-22.05	6.68	3.73	5.83
Aluminum Co Amer	53	Dec	8.66	12.19	9.69	-20.51	6.14	7.70	19.83
Western Air Lines	10¾	Dec	2.15	1.77	1.41	-20.38	7.44	34.11	36.15
US Air	8⅛	Dec	1.99	1.55	1.24	-20.00	6.66	18.26	18.27
Pan Am World Airways	6⅞	Dec	1.52	1.00	0.81	-18.74	18.32	30.06	69.20
Reynolds Metals	36⅞	Dec	5.40	8.12	6.64	-18.19	5.67	10.65	28.45
Bethlehem Steel	24⅜	Dec	5.15	6.43	5.27	-18.10	4.81	4.93	7.10
Amerada Hess	44½	Dec	3.42	9.71	7.97	-17.94	5.54	7.26	10.12
ASARCO	27½	Dec	1.69	6.33	5.23	-17.37	5.42	8.83	35.41
National Steel	34⅝	Dec	5.85	6.58	5.46	-16.98	6.36	4.99	11.30
American Motors	8½	Sept	0.80	2.34	1.95	-16.64	4.10	4.87	22.97

*For fiscal years ending June through May of the following year. †See source. ‡Percentage range around the average in which two-thirds of analysts' estimates fall. The lower the percentage, the greater the agreement among analysts.
Source: Institutional Brokers Estimate System; Lynch Jones & Ryan.



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Falling stars

Company	Recent price	Fiscal year ends	Earnings per share 1978*	Earnings per share 1979*	Earnings per share 1980*	Decrease of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	Percentage variation in earnings estimates‡ 1980
			IBES† estimates						
Clark Equipment	40¼	Dec	$ 6.08	$ 7.75	$ 6.57	–15.27%	6.32	6.33%	7.22%
PACCAR	60¾	Dec	10.51	13.02	11.08	–14.90	5.44	7.93	9.11
Borg-Warner Corp	36¼	Dec	6.24	6.68	5.71	–14.47	6.52	3.67	14.27
Shapell Inds	37⅝	Dec	8.35	8.02	6.90	–13.97	5.60	9.82	17.86
Cummins Engine	34⅜	Dec	7.62	6.23	5.40	–13.31	6.39	11.58	15.98
Newmont Mining	31¾	Dec	1.28	5.47	4.75	–13.12	6.78	9.16	29.29
Inland Steel Co	35¾	Dec	7.61	7.53	6.55	–13.00	5.46	5.82	7.34
Pope & Talbot	37	Dec	5.60	6.17	5.38	–12.91	6.67	11.85	8.91
Kaiser Alum & Chem	20⅞	Dec	3.58	4.82	4.21	–12.54	5.19	5.17	21.19
General Motors	63¼	Dec	12.24	10.86	9.50	–12.49	6.70	8.75	13.89
Celanese	47⅛	Dec	7.61	8.73	7.66	–12.25	6.10	6.41	7.44
International Harvester	40¾	Oct	6.14	9.77	8.60	–11.93	4.72	9.44	17.05
Armco	26⅝	Dec	4.29	4.94	4.35	–11.88	6.26	6.42	8.99
Firestone Tire	10	Oct	1.25	1.78	1.57	–11.79	6.46	17.21	17.43
Southwest Forest Inds	20¼	Dec	2.59	3.02	2.69	–10.83	7.95	6.85	18.42
Scott Paper	19	Dec	2.41	3.36	3.01	–10.20	6.51	2.52	8.13
Eaton	29⅛	Dec	4.34	5.65	5.09	–9.99	5.70	1.18	14.42
Pullman	40¼	Dec	5.83	8.10	7.30	–9.84	5.68	11.46	8.47
Champion Intl	26½	Dec	3.65	4.35	3.93	–9.64	6.81	8.42	12.56
Phelps Dodge	29½	Dec	1.16	4.33	3.93	–9.16	7.70	10.88	51.01
Stanadyne	29¼	Dec	3.62	4.63	4.21	–9.14	6.83	2.23	8.51
Central Soya	12⅞	Aug	1.94	2.37	2.16	–9.05	5.67	4.56	18.03
Rohm & Haas	46¾	Dec	4.49	6.55	5.96	–8.97	7.78	7.92	10.75
UNC Resources	24⅛	Mar	3.46	3.06	2.79	–8.94	8.96	27.53	3.23
General Tire & Rubber	23¼	Nov	4.97	4.38	4.00	–8.70	5.81	14.92	25.00
Masonite	28	Aug	2.73	3.38	3.09	–8.63	9.39	3.12	20.39
Bucyrus-Erie	19	Dec	2.66	2.61	2.38	–8.62	7.92	4.06	7.82
Xerox	23	Sept	4.80	5.32	4.87	–8.46	4.49	0.94	5.39
US Fidelity & Guaranty	38¾	Dec	7.75	8.09	7.42	–8.30	5.20	4.12	4.33
Weyerhaeuser	34⅛	Dec	3.18	3.90	3.58	–8.29	9.58	7.19	12.42
International Paper	42	Dec	4.94	6.33	5.81	–8.25	7.31	3.76	10.90
Burlington Northern	59¼	Dec	8.52	10.92	10.03	–8.10	5.94	11.67	13.66
Great Northern Nekoosa	36⅞	Dec	4.23	5.75	5.29	–8.07	7.14	2.31	12.04
Hercules	22	Dec	2.36	3.22	2.96	–7.99	7.43	8.06	11.19
Union Carbide	43⅛	Dec	6.09	7.42	6.82	–7.96	6.37	6.05	7.68
Louisiana-Pacific	25	Dec	2.82	3.22	2.97	–7.86	8.59	10.42	18.47
Boise Cascade	39½	Dec	5.02	6.11	5.65	–7.62	6.95	4.83	11.75
Potlatch	38¼	Dec	4.65	5.07	4.69	–7.45	8.13	7.17	8.30
City Investing	19	Dec	3.07	3.00	2.78	–7.33	6.84	16.24	18.82
British Petroleum	30¾	Dec	2.34	4.74	4.42	–6.82	7.08	19.56	10.75
Crown Zellerbach	42⅝	Dec	4.39	5.17	4.83	–6.55	8.20	4.32	11.94
Ohio Casualty	37⅝	Dec	5.87	6.11	5.72	–6.42	6.64	6.11	9.42
Kemper	36½	Dec	7.95	8.34	7.82	–6.23	4.73	4.23	12.46
Kennecott Copper	28⅜	Dec	0.15	3.39	3.18	–6.13	9.08	12.19	41.23
Amfac Inc	14¾	Dec	1.69	1.80	1.69	–5.96	9.08	3.83	12.37
Dow Chemical	32¾	Dec	3.16	3.90	3.67	–5.75	8.89	5.57	8.29
BF Goodrich	21¾	Dec	4.39	4.65	4.39	–5.55	5.16	5.90	13.71
St Regis Paper	34	Dec	3.94	4.87	4.60	–5.53	7.45	3.94	10.44
GEICO	12⅜	Dec	1.74	1.80	1.70	–5.43	6.76	22.65	27.63
El Du Pont de Nemours	72⅛	Dec	5.39	5.87	5.55	–5.40	7.86	3.68	7.78
Northwest Airlines	30⅛	Dec	2.86	4.74	4.48	–5.33	6.80	7.62	17.50
Brush Wellman	22	Dec	2.13	3.05	2.89	–5.25	7.61	2.29	12.58
Continental	25½	Dec	5.66	5.35	5.08	–5.05	5.12	6.48	9.36
SAFECO	37½	Dec	6.34	6.24	5.93	–4.93	6.38	4.75	8.72
Mead	27¼	Dec	4.41	5.08	4.84	–4.87	5.69	2.98	10.74
Olin	20	Dec	2.55	2.95	2.81	–4.84	7.26	8.42	20.32
Union Camp	48¼	Dec	5.25	6.09	5.80	–4.76	8.38	2.83	7.09
Libbey-Owens-Ford	28¾	Dec	4.96	4.74	4.55	–3.96	6.18	7.96	1.90
Seaboard Coast Line	28⅝	Dec	4.64	6.67	6.41	–3.87	4.56	6.55	11.58
US Steel	23¾	Dec	2.85	4.31	4.14	–3.86	5.88	9.72	13.55

*For fiscal years ending June through May of the following year. †See source. ‡Percentage range around the average in which two-thirds of analysts' estimates fall. The lower the percentage, the greater the agreement among analysts.
Source: Institutional Brokers Estimate System; Lynch Jones & Ryan.

NICOR IS OIL AND GAS EXPLORATION AND DEVELOPMENT.

NICOR will have more than $300 million invested by year-end in oil and gas operations.

These expenditures place us among the larger independent oil and gas companies in the U.S. with interests in 26 states and Canada. Areas where our subsidiaries own interests in 30,000 leases and expect to participate in the drilling of 500 wells during 1979.

One of our subsidiaries, NICOR Exploration, recently purchased 70,000 net acres of leases in northwestern Oklahoma, Kansas and Texas. Leases that contain a number of good oil and gas prospects... including some already under development.

In addition, we have extensive interests in the deeper part of the Anadarko Basin in Oklahoma, the Williston Basin in North Dakota and along the Texas and Louisiana Gulf Coast both onshore and offshore.

Still another subsidiary is participating in the development of a significant gas-condensate discovery in Texas state waters near Corpus Christi.

And these interests are beginning to pay off as our energy reserves of both oil and gas continue to increase.

NICOR continues expansion and growth in other energy areas as well. Like natural gas distribution; coal leasing, mining and gasification; contract drilling for oil and gas operators; marine transportation and repair; and other mineral exploration. That's why we're known as "The Basic Energy Company."

NICOR
The Basic Energy Company

Falling stars

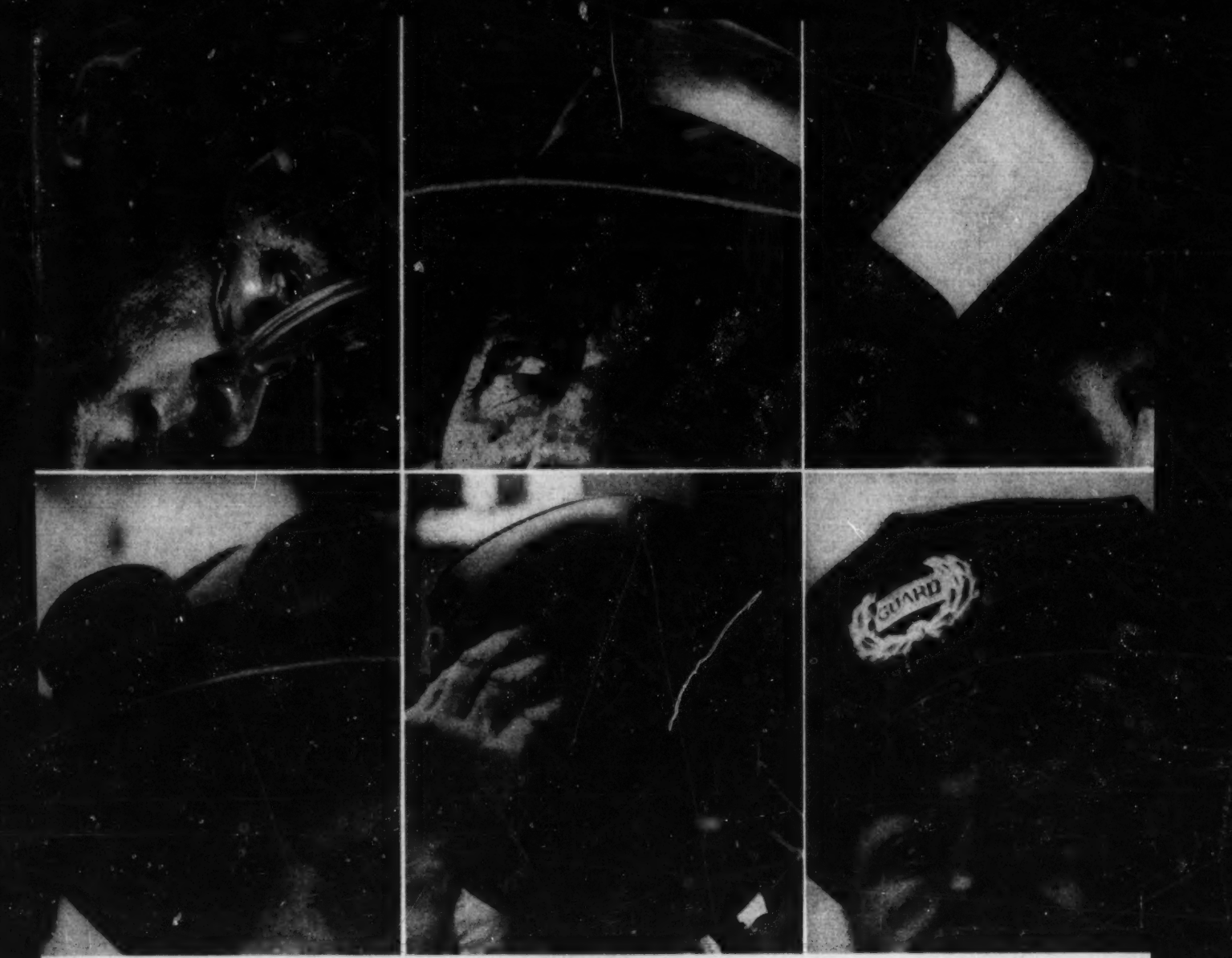
Company	Recent price	Fiscal year ends	Earnings per share — IBES† estimates 1978*	1979*	1980*	Decrease of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	1980
Armstrong Cork	17½	Dec	$2.36	$2.54	$2.45	–3.77%	7.26	4.18%	10.07%
Hammermill Paper	22⅛	Dec	3.35	4.00	3.85	–3.67	5.78	6.28	11.46
Southern Pacific	36	Dec	4.31	5.79	5.58	–3.61	6.45	8.15	12.76
Consolidated Freightways	25⅞	Dec	4.75	5.08	4.90	–3.57	5.18	4.04	5.80
Southern Calif Edison	25⅞	Dec	3.52	4.38	4.22	–3.54	6.10	3.85	6.17
Coastal States Gas	27¾	Dec	2.77	4.37	4.22	–3.49	6.75	4.82	12.06
PPG Inds	33¾	Dec	5.74	6.08	5.87	–3.45	5.71	5.38	9.36
Lane	24½	Dec	4.11	4.29	4.15	–3.32	6.02	1.93	13.45
Chubb	42⅞	Dec	7.39	7.35	7.11	–3.27	6.08	4.92	8.52
Fieldcrest Mills	28⅞	Dec	6.07	6.42	6.23	–2.91	4.55	3.94	9.54
Ingersoll-Rand	58	Dec	6.41	7.15	6.95	–2.75	8.22	2.59	9.04
Chessie System	28⅝	Dec	3.59	5.53	5.41	–2.14	5.15	3.70	10.12
Willamette Inds	38¾	Dec	4.26	4.38	4.28	–2.10	8.58	4.65	12.81
Aetna Life & Casualty	33⅞	Dec	6.39	6.67	6.53	–2.09	5.19	5.09	7.83
Crum & Forster	55	Dec	9.12	9.95	9.75	–2.06	6.00	2.76	8.61
Engelhard Minerals & Chems	47⅜	Dec	4.50	7.36	7.20	–2.05	6.66	20.17	16.30
Corning Glass Works	62½	Dec	5.89	6.94	6.80	–2.04	9.31	5.23	4.30
Metro-Goldwyn-Mayer	18¾	Aug	1.61	2.09	2.04	–1.97	9.42	9.10	9.65
Braniff Intl	10¼	Dec	2.26	1.79	1.75	–1.96	5.99	19.90	32.24
Pabst Brewing	14	Dec	1.29	1.36	1.33	–1.88	10.40	11.20	28.56
Caterpillar Tractor	54⅜	Dec	6.56	7.11	6.98	–1.88	7.83	3.70	5.83
Indianapolis Power & Light	22⅝	Dec	2.30	3.32	3.26	–1.88	6.93	3.12	5.36
Lone Star Inds	26¼	Dec	4.02	4.60	4.52	–1.85	5.75	6.46	14.84
IU Intl	14⅛	Dec	0.30	1.85	1.82	–1.80	8.12	3.82	8.41
Monsanto	60¼	Dec	8.21	9.17	9.02	–1.65	6.60	6.96	8.17
Louisiana Land & Expl	47⅛	Dec	2.64	4.16	4.09	–1.52	11.48	6.60	10.62
Norton	32	Dec	3.78	4.80	4.73	–1.46	6.90	8.62	14.29
Wisconsin Public Service	17⅜	Dec	2.53	2.72	2.69	–1.22	6.59	4.14	3.79
Texasgulf	31⅝	Dec	1.33	3.13	3.09	–1.20	10.32	13.86	14.39
Pentair	17¾	Dec	3.12	3.98	3.94	–1.09	4.47	2.94	9.47
General Portland	15¾	Dec	2.51	3.02	3.00	–0.83	5.37	12.77	22.81
Travelers	37½	Dec	8.29	8.38	8.32	–0.72	4.55	5.10	9.59
Texaco	31¼	Dec	3.14	4.91	4.88	–0.64	6.35	6.24	7.84
Ferro	24½	Dec	3.67	3.81	3.79	–0.64	6.37	3.84	14.97
Bendix	42½	Sept	5.74	7.16	7.12	–0.51	6.18	1.69	4.25
St Joe Minerals	31¾	Dec	1.95	3.95	3.93	–0.48	8.47	13.48	16.31
Amcord	32	Dec	3.19	3.80	3.79	–0.42	8.58	4.28	6.81
Rockwell Intl	45⅝	Sept	5.29	6.82	6.81	–0.22	6.81	7.97	8.20

Overlooked stars

Unless the price of these securities rises or their estimated earnings don't come through, these following stocks are on the bargain counter.

Company	Recent price	Fiscal year ends	Earnings per share — IBES† estimates 1978*	1979*	1980*	Increase of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	1980
Gap Stores	8¾	Jan	$2.24	$2.33	$ 2.82	20.89%	3.06	9.18%	5.71%
Memorex	19⅜	Dec	5.65	5.74	6.29	9.53	3.10	5.13	10.81
Stop & Shop Cos	16¾	Jan	4.00	4.39	4.93	12.44	3.45	4.20	1.55
American Family	11⅝	Dec	2.07	2.62	3.09	17.62	3.64	4.53	8.40
Zayre	13	Jan	2.57	2.91	3.55	21.88	3.77	6.78	10.42

*For fiscal years ending June through May of the following year. †See source. ‡Percentage range around the average in which two-thirds of analysts' estimates fall. The lower the percentage, the greater the agreement among analysts.
Source: Institutional Brokers Estimate System; Lynch, Jones & Ryan.



Guess how many people on this page will work beyond normal retirement.

Your estimate is probably too low. Unless you've seen the recent study, American Attitudes Toward Retirement and Pensions.

This research, commissioned by Johnson & Higgins and conducted by Louis Harris and Associates, reached executives at 212 leading companies as well as 1,699 current employees and retirees.

Our findings call into serious question many currently held assumptions. For instance, many past reports suggest that only 10% to 25% of the work force intends to stay on. Harris finds that 51% intend to stay at work, full or part time.

Furthermore, though executives think guaranteed income and vesting are the most important things in pension plans, employees don't think so.

The wealth of reliable information in this study can help you shape employee pension programs to cope with changing conditions and attitudes.

You are invited to review both the Harris study and two newly developed J&H pension planning analytical tools (BAI and GAIN)* Simply call any J&H office.

*Benefit Adequacy Index and General Adjustment for Inflation

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EMPLOYEE BENEFIT AND ACTUARIAL CONSULTING; RISK AND INSURANCE MANAGEMENT SERVICES THROUGHOUT THE WORLD.

Overlooked stars

Company	Recent price	Fiscal year ends	Earnings per share 1978*	Earnings per share IBES† estimates 1979*	Earnings per share IBES† estimates 1980*	Increase of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	Percentage variation in earnings estimates‡ 1980
Sea Containers	17½	Dec	$ 3.48	$ 3.72	$ 4.70	26.31%	3.85	10.84%	6.83%
US Home	14	Dec	2.72	3.64	3.64	0.16	3.95	2.71	7.35
Dorsey	17¼	Dec	2.39	3.65	4.35	19.11	4.05	9.16	9.31
Palm Beach	18⅛	Dec	3.72	4.20	4.46	6.12	4.06	2.94	3.31
Maryland Natl	17¼	Dec	3.03	3.79	4.22	11.33	4.09	0.66	1.37
American Motors	8½	Sept	0.80	2.34	1.95	−16.64	4.10	4.87	22.97
Giddings & Lewis	22¼	Dec	3.74	5.01	5.45	8.78	4.13	5.41	10.09
Charter NY	35⅞	Dec	6.27	7.72	8.67	12.30	4.14	2.45	7.15
Norlin	23½	Dec	4.91	4.84	5.70	17.67	4.14	7.27	18.93
Cluett Peabody	9⅞	Dec	1.91	1.89	2.37	25.17	4.17	4.43	14.38
HF Ahmanson	23⅞	Dec	5.13	5.17	5.96	15.17	4.19	2.88	7.87
Overnite Transportation	23	Dec	4.26	4.91	5.31	8.05	4.28	4.31	9.31
Philadelphia Natl	30⅝	Dec	5.75	7.05	7.13	1.18	4.31	11.26	5.67
Golden West Finl	14½	Dec	2.99	3.04	3.54	16.48	4.31	7.94	10.20
Finl Corp Santa Barbara	17	Dec	3.52	3.37	3.84	13.90	4.46	8.47	17.43
Pentair	17¾	Dec	3.12	3.98	3.94	−1.09	4.47	2.94	9.47
Bankers Trust NY	43¾	Dec	6.47	8.78	10.08	14.77	4.49	8.03	4.26
Chemical New York	39⅛	Dec	6.96	7.87	8.71	10.75	4.49	3.19	3.92
Xtra	23	Sept	4.80	5.32	4.87	−8.46	4.49	0.94	5.39
Chase Manhattan	40⅛	Dec	5.09	8.00	9.15	14.43	4.52	6.83	5.23
LTV	8⅞	Dec	1.49	2.67	1.99	−25.70	4.53	29.18	14.87
Travelers	37½	Dec	8.29	8.38	8.32	−0.72	4.55	5.10	9.59
JP Stevens	14½	Oct	2.71	3.16	3.19	0.84	4.55	4.38	9.86
Fieldcrest Mills	28⅞	Dec	6.07	6.42	6.23	−2.91	4.55	3.94	9.54
Seaboard Coast Line	28⅝	Dec	4.64	6.67	6.41	−3.87	4.56	6.55	11.58
First Natl Boston	33½	Dec	5.11	6.62	7.23	9.24	4.58	2.74	1.98
Singer	11⅛	Dec	3.19	2.39	2.55	6.87	4.61	7.01	14.54
Wells Fargo	29	Dec	5.16	5.75	6.35	10.30	4.61	1.67	3.35
Tiger Intl	23⅛	Dec	3.68	4.17	4.94	18.43	4.61	12.41	13.58
Shaklee	16⅞	Sept	2.95	3.35	3.65	8.96	4.62	1.22	3.36
Nashua	28½	Dec	4.90	5.55	6.35	14.48	4.63	5.84	16.49
Crocker Natl	31¾	Dec	5.31	6.48	6.75	4.07	4.63	13.08	4.22
Flagship Banks	13¾	Dec	1.74	2.67	2.91	9.08	4.64	2.84	5.67
Blue Bell	25½	Sept	4.28	5.13	5.60	9.14	4.64	2.27	3.99
Harris Bankcorp	28½	Dec	4.78	5.52	6.18	11.86	4.65	0.77	2.47
Cone Mills	31½	Dec	6.22	6.85	6.92	0.97	4.68	3.48	8.98
Northern Calif S&L Assn	19⅜	Dec	3.65	3.47	3.98	14.70	4.71	3.76	6.92
Brown Group	26⅞	Oct	4.58	5.47	5.78	5.63	4.71	4.25	7.20
Colonial Penn Group	23	Dec	4.30	4.59	4.93	7.29	4.72	2.08	6.03
International Harvester	40¾	Oct	6.14	9.77	8.60	−11.93	4.72	9.44	17.05
First Chicago	18	Dec	3.30	3.58	3.94	10.20	4.73	2.62	4.51
Kemper	36½	Dec	7.95	8.34	7.82	−6.23	4.73	4.23	12.46
Manufacturers Hanover	33½	Dec	5.58	6.46	7.13	10.28	4.73	1.06	1.82
Imperial Corp Amer	27	Dec	4.96	5.03	5.75	14.43	4.74	2.86	6.22
Leggett & Platt	12¼	Dec	2.27	2.47	2.70	9.09	4.77	1.17	3.38
Moore McCormack Res	36	Dec	6.23	6.67	7.60	13.96	4.77	3.33	3.52
Bethlehem Steel	24⅜	Dec	5.15	6.43	5.27	−18.10	4.81	4.93	7.10
Ponderosa System	20½	Feb	3.02	3.68	4.38	19.16	4.82	4.36	4.00
Westinghouse Elec	20	Dec	3.59	3.74	4.27	14.01	4.83	5.46	5.10
Bancal Tri-State	21⅝	Dec	3.29	3.99	4.48	12.27	4.86	4.14	5.07
Security Pacific	31⅜	Dec	5.18	5.94	6.52	9.87	4.87	1.13	2.17
UAL	24¾	Dec	11.93	0.45	5.12	1031.35	4.89	446.03	30.17
Brockway Glass	14⅜	Dec	3.33	2.62	2.94	12.26	4.89	10.33	9.91
Overseas Shipholding Group	32⅛	Dec	4.74	5.70	6.59	15.57	4.90	7.68	11.06
Resorts Intl	33	Dec	4.57	6.81	7.38	8.26	4.90	2.11	11.58
First Charter Finl	18⅜	Dec	3.55	3.17	3.83	20.71	4.90	4.01	6.76
Overhead Door	16⅜	Dec	2.60	3.21	3.48	8.29	4.93	4.30	4.16
Southeast Banking	15⅞	Dec	2.14	2.80	3.22	15.00	4.93	6.68	1.77
NCNB	14⅛	Dec	2.02	2.56	2.83	10.43	4.95	4.52	2.66
J Walter Thompson	28½	Dec	4.43	4.97	5.76	15.99	4.95	3.88	7.45

*For fiscal years ending June through May of the following year. †See source. ‡Percentage range around the average in which two-thirds of analysts' estimates fall. The lower the percentage, the greater the agreement among analysts.
Source: Institutional Brokers Estimate System; Lynch Jones & Ryan.

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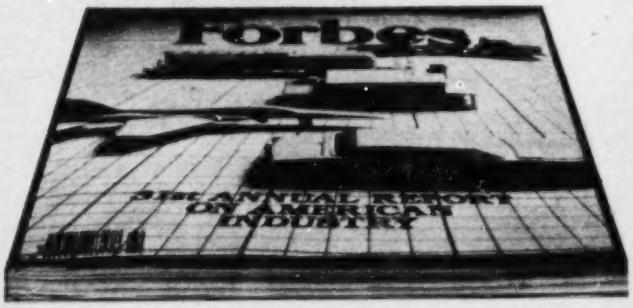

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Forbes: Capitalist Tool

Overlooked stars

Company	Recent price	Fiscal year ends	Earnings per share — IBES† estimates 1978*	1979*	1980*	Increase of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	1980
Western Bancorporation	31¼	Dec	4.55	5.79	6.44	11.06	4.95	3.26	3.70
McDonnell Douglas	27⅞	Dec	4.14	4.90	5.54	13.27	4.96	5.06	4.93
Ford Motor	41¾	Dec	13.35	10.92	8.49	−22.26	4.96	10.94	21.95
International Tel & Tel	27¼	Dec	4.66	5.19	5.54	6.68	4.99	6.40	8.57
Transway Intl	24½	Dec	4.20	4.89	4.89	0.00	4.99	2.69	12.40
Collins & Aikman	8⅞	Feb	1.93	1.79	1.83	2.25	5.00	9.16	13.30
Anchor Hocking	16⅝	Dec	3.53	3.00	3.37	12.41	5.00	13.49	13.31
Federal Natl Mtg Assn	17	Dec	3.47	2.70	3.39	25.53	5.02	4.13	11.71
Wickes	15¾	Jan	3.14	3.16	3.29	3.95	5.02	11.19	14.88
Standard Motor Prod	16⅛	Dec	2.33	2.74	3.19	16.45	5.02	2.53	2.68
Fox-Stanley Photo Prods	9⅞	Mar	1.60	1.67	1.96	17.23	5.03	9.84	2.44
Kerr Glass Mfg	11	Dec	2.34	1.94	2.21	13.82	5.03	16.64	12.33
Republic Steel	29⅜	Dec	6.86	8.39	6.08	−27.60	5.04	5.58	11.28
Brunswick	13¾	Dec	2.30	2.65	2.73	3.01	5.04	6.93	12.58
Pittsburgh Natl	43¼	Dec	6.35	7.79	8.60	10.43	5.06	1.52	0.10
Continental Illinois	27⅞	Dec	4.51	4.91	5.55	12.92	5.07	2.29	6.03
INA	48½	Dec	8.37	9.21	9.29	0.87	5.07	3.40	7.38
Consolidated Papers	58¾	Dec	8.36	10.32	11.41	10.56	5.08	3.59	8.72
White Consolidated	24⅞	Dec	3.82	4.32	4.96	14.92	5.09	4.96	14.63
Swank	21	Dec	3.65	3.76	4.15	10.30	5.09	2.95	9.56
APS	8⅜	July	1.31	1.48	1.71	15.54	5.12	6.59	5.62
Continental	25½	Dec	5.66	5.35	5.08	−5.05	5.12	6.48	9.36
Norfolk & Western Ry.	24⅜	Dec	3.39	4.64	4.75	2.26	5.13	7.05	9.50
National Detroit	34⅛	Dec	5.59	6.35	6.79	6.92	5.14	1.90	5.95
Kaiser Cement	25½	Dec	4.24	4.81	4.99	3.76	5.14	4.59	12.61
Gordon Jewelry	24½	Aug	3.45	4.60	4.95	7.67	5.15	4.70	5.49
Chessie System	28⅜	Dec	3.59	5.53	5.41	−2.14	5.15	3.70	10.12
Royal Dutch Petroleum	79¼	Dec	10.55	19.89	15.49	−22.13	5.15	13.62	13.79
BF Goodrich	21¾	Dec	4.39	4.65	4.39	−5.55	5.16	5.90	13.71
VF Corp	18⅜	Dec	3.12	3.31	3.54	6.73	5.16	2.98	6.04
Consolidated Freightways	25⅞	Dec	4.75	5.08	4.90	−3.57	5.18	4.04	5.80
Flexi-Van	14⅝	Dec	3.11	2.83	3.04	7.56	5.18	4.46	7.20
Levitz Furniture	24½	Jan	3.84	4.43	4.77	7.79	5.18	4.56	5.51
Aetna Life & Casualty	33⅞	Dec	6.39	6.67	6.53	−2.09	5.19	5.09	7.83
Kaiser Alum & Chem	20⅞	Dec	3.58	4.82	4.21	−12.54	5.19	5.17	21.19
CleveTrust	35¼	Dec	6.05	6.40	6.78	5.99	5.20	2.30	2.98
HJ Wilson	14¾	Jan	2.08	2.28	2.79	22.19	5.20	2.65	3.20
US Fidelity & Guaranty	38¾	Dec	7.75	8.09	7.42	−8.30	5.20	4.12	4.33
Great Western Finl	24¾	Dec	4.01	4.21	4.98	18.46	5.22	3.25	7.90
Citicorp	23	Dec	3.70	4.01	4.59	14.31	5.23	2.78	7.98
Alcan Alum Ltd	41	Dec	7.15	7.55	7.87	4.25	5.26	7.77	16.76
Coachmen Inds	6	Dec	2.29	0.07	1.12	1388.89	5.26	1126.78	39.12
Transamerica	18⅝	Dec	3.15	3.44	3.70	7.47	5.27	2.71	4.52
GAF	11	Dec	2.06	1.67	2.06	23.50	5.27	10.81	11.09
Preston Trucking	15¾	Dec	2.24	2.47	2.93	18.52	5.28	6.28	3.94
General Public Utils	9⅛	Dec	2.30	1.54	1.70	10.19	5.29	14.90	7.37
St Paul Cos	40⅞	Dec	7.77	7.72	7.74	0.32	5.30	4.04	7.92
Kroger	24½	Dec	3.11	4.08	4.60	12.75	5.30	2.06	3.69
Ball	26⅛	Dec	3.84	4.67	5.00	6.95	5.30	6.68	7.81
Texas Amer Bancshares	26	Dec	4.13	4.33	4.90	13.10	5.31	3.28	3.91
Intl Multifoods	20	Feb	3.06	3.39	3.76	10.93	5.32	1.12	1.27
Household Finance	20⅞	Dec	2.99	3.64	3.90	7.37	5.32	2.96	3.42
Occidental Petroleum	25⅜	Dec	−0.35	4.28	4.86	13.64	5.32	21.28	23.35
Allis-Chalmers	36⅛	Dec	6.18	6.74	6.97	3.33	5.33	2.23	4.57
Barnett Banks	21¾	Dec	2.90	3.70	4.10	10.79	5.33	3.80	2.71
Hart Schaffner & Marx	12¾	Nov	2.09	2.29	2.39	4.26	5.34	2.39	4.32
Conn General Insurance	36	Dec	6.44	6.52	6.82	4.62	5.35	2.62	5.76
General Portland	15¾	Dec	2.51	3.02	3.00	−0.83	5.37	12.77	22.81
May Dept Stores	24⅛	Jan	4.01	4.22	4.51	7.02	5.38	3.89	6.85
Chart House	17¾	Dec	2.75	2.92	3.23	10.56	5.38	3.81	5.64

*For fiscal years ending June through May of the following year. †See source. ‡Percentage range around the average in which two-thirds of analysts' estimates fall. The lower the percentage, the greater the agreement among analysts.
Source: Institutional Brokers Estimate System; Lynch Jones & Ryan.

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Overlooked stars

Company	Recent price	Fiscal year ends	Earnings per share — IBES† estimates 1978*	1979*	1980*	Increase of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	1980
Consolidated Edison	23⅞	Dec	$ 4.29	$ 4.39	$ 4.51	2.67%	5.38	3.75%	5.28%
Dominion Bankshares	16½	Dec	2.39	2.80	3.06	9.17	5.39	2.97	3.74
Johns-Manville	24¾	Dec	5.62	4.56	4.68	2.60	5.40	10.53	11.14
New England Gas & Elec	15⅝	Dec	2.40	2.64	2.94	11.06	5.40	3.74	5.96
Northrop	38	Dec	6.24	6.71	7.21	7.31	5.41	3.70	4.17
H B Fuller	11	Nov	1.58	1.83	2.07	13.39	5.42	5.26	9.33
ASARCO	27½	Dec	1.69	6.33	5.23	–17.37	5.42	8.83	35.41
Missouri Pacific	52½	Dec	8.83	9.49	9.72	2.42	5.43	2.13	6.63
Republic Automotive Parts	9⅛	Dec	1.30	1.43	1.68	17.48	5.43	1.92	5.41
Mellon National	30⅜	Dec	4.40	5.20	5.66	8.85	5.43	1.22	2.11
PACCAR	60¾	Dec	10.51	13.02	11.08	–14.90	5.44	7.93	9.11
Indiana Gas & Elec	18⅜	Dec	3.04	2.92	3.35	14.67	5.45	4.29	4.39
Hyster	42¾	Jan	9.38	9.84	7.64	–22.41	5.45	8.24	24.06
First Union Bancorp	29¼	Dec	5.42	5.09	5.36	5.35	5.45	15.03	14.27
Owens-Illinois	20⅜	Dec	3.44	3.81	3.94	3.30	5.46	4.97	7.01
Inland Steel	35¾	Dec	7.61	7.53	6.55	–13.00	5.46	5.82	7.34
Mercantile Stores	37	Jan	6.80	6.59	6.87	4.24	5.46	4.31	8.50
Twentieth Century-Fox	42½	Dec	7.07	7.17	7.55	5.31	5.46	14.10	14.15
Colt Inds	44¾	Dec	6.07	7.89	8.32	5.47	5.48	1.59	5.40
Gibraltar Financial	13	Dec	2.24	2.19	2.60	18.34	5.49	3.47	7.28
Fairchild Inds	35⅜	Dec	3.69	5.53	6.49	17.41	5.49	3.38	3.36
Goodyear Tire & Rubber	15⅛	Dec	3.12	2.63	2.76	4.60	5.49	11.94	11.49
Texas Intl Airlines	10	Dec	1.32	1.52	1.91	25.89	5.49	15.51	21.92
Houston Inds	28⅛	Dec	4.21	4.88	5.14	5.20	5.50	2.29	3.11
First Pennsylvania	13⅛	Dec	2.13	1.81	2.39	31.72	5.50	4.09	4.32
Valley Natl Bank	28⅝	Dec	3.71	4.60	5.15	11.99	5.50	1.62	3.02
Host Intl	18	Dec	2.54	2.96	3.27	10.52	5.51	3.23	5.26
Eastern Air Lines	7⅝	Dec	2.91	1.79	1.38	–22.65	5.51	19.53	45.51
Evans Prods	24¼	Dec	3.76	4.24	4.42	4.19	5.51	4.47	11.15
Colonial Life & Accident	16⅞	Dec	2.33	2.73	3.08	12.82	5.52	1.54	1.85
King's Dept Stores	14⅛	Jan	2.00	2.14	2.51	17.43	5.53	9.23	6.58
Equitable Savings & Loan	30¼	Dec	5.58	5.20	5.79	11.27	5.53	7.90	12.13
Amerada Hess	44½	Dec	3.42	9.71	7.97	–17.94	5.54	7.26	10.12
Cincinnati Bell	29¾	Dec	5.30	5.31	5.33	0.49	5.55	4.04	4.43
RTE	10⅛	Dec	2.02	1.55	1.84	18.89	5.56	6.71	12.96
First Bank System	40	Dec	5.78	6.55	7.20	9.99	5.59	1.51	2.96
Modern Merchandising	15½	Jan	2.04	2.26	2.64	16.77	5.59	4.68	4.13
Shapell Inds	37⅜	Dec	8.35	8.02	6.90	–13.97	5.60	9.82	17.86
Ogilvy & Mather Intl	22¾	Dec	3.16	3.42	4.02	17.32	5.60	3.84	5.91
Allied Stores	25½	Jan	3.98	4.22	4.57	8.42	5.61	2.60	5.85
Continental Group	30⅜	Dec	3.47	5.18	5.39	4.11	5.61	3.87	5.80
INTERCO	41¼	Feb	6.30	6.91	7.45	7.81	5.62	1.30	3.60
US Leasing Intl	17⅜	Dec	2.78	2.73	3.11	14.01	5.62	2.66	3.31
Quaker Oats	26⅞	June	4.01	4.37	4.77	9.15	5.63	3.22	0.74
Fleming Cos	17½	Dec	2.33	2.70	3.11	15.06	5.63	2.97	3.21
Mattel	8¾	Jan	1.23	1.36	1.57	15.95	5.63	3.62	7.56
Teledyne	143¾	Dec	17.63	25.09	26.03	3.74	5.64	6.35	8.27
Beneficial	30⅜	Dec	4.10	5.01	5.41	7.97	5.64	1.71	2.88
Reynolds Metals	36⅞	Dec	5.40	8.12	6.64	–18.19	5.67	10.65	28.45
CFS Continental	10¼	Sept	0.92	1.50	1.83	22.00	5.67	4.08	8.11
Natomas	60⅝	Dec	7.67	9.78	10.63	8.66	5.67	7.82	9.14
Central Soya	12⅞	Aug	1.94	2.37	2.16	–9.05	5.67	4.56	18.03
Emhart	40⅛	Dec	5.77	6.28	6.85	9.07	5.67	1.40	2.72
Sunbeam	20⅝	Mar	3.22	3.12	3.70	18.42	5.68	5.94	9.10
Scott & Fetzer	27¾	Nov	4.11	4.80	4.84	0.78	5.68	3.30	4.88
Pullman	40¼	Dec	5.83	8.10	7.30	–9.84	5.68	11.46	8.47
Mead	27¼	Dec	4.41	5.08	4.84	–4.87	5.69	2.98	10.74
Jonathan Logan	12¼	Dec	1.77	1.36	2.15	57.93	5.69	30.22	41.89
Interpublic Group	32¾	Dec	4.11	4.65	5.33	14.79	5.69	2.03	7.59
Virginia Electric & Power	12	Dec	1.88	1.85	2.09	12.74	5.69	5.71	4.16

*For fiscal years ending June through May of the following year. †See source. ‡Percentage range around the average in which two-thirds of analysts' estimates fall. The lower the percentage, the greater the agreement among analysts.
Source: Institutional Brokers Estimate System; Lynch Jones & Ryan.

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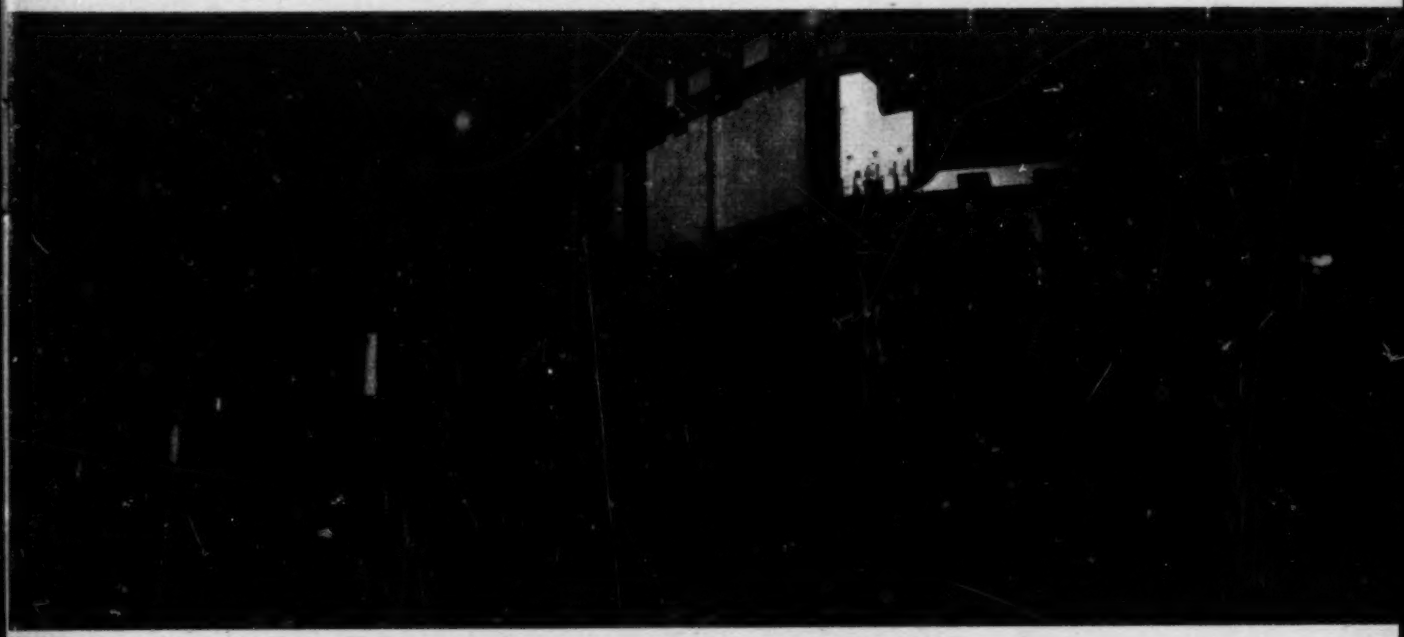

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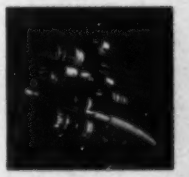

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Overlooked stars

Company	Recent price	Fiscal year ends	Earnings per share IBES† estimates 1978*	1979*	1980*	Increase of 1980 over 1979	P/E based on 1980	Percentage variation in earnings estimates‡ 1979	1980
Borden	26⅛	Dec	$4.38	$ 4.46	$ 4.78	7.34%	5.70	5.62%	4.74%
Zurn Inds	17⅞	Mar	2.46	2.82	3.18	12.81	5.70	1.56	2.04
Eaton	29⅛	Dec	4.34	5.65	5.09	–9.99	5.70	1.18	14.42
PPG Inds	33¾	Dec	5.74	6.08	5.87	–3.45	5.71	5.38	9.36
Koehring	23	Nov	3.45	4.11	4.20	2.30	5.71	3.57	5.24
American Can	38	Dec	6.05	6.63	6.83	3.06	5.71	1.70	6.42
Warner & Swasey	38⅞	Dec	3.34	6.34	6.68	5.42	5.72	11.56	5.31
USLIFE	25¾	Dec	3.36	3.86	4.32	11.87	5.73	1.85	2.70
Middle South Utils	14⅛	Dec	2.46	2.42	2.44	1.02	5.73	3.83	4.85
Sullair	16½	Dec	2.12	2.67	2.92	9.37	5.74	3.49	4.69
Southwest Airlines	24⅜	Dec	3.61	3.87	4.29	10.65	5.74	4.28	12.72
Citizens Fidelity	25¾	Dec	3.45	3.97	4.53	14.01	5.74	1.13	2.05
Lone Star Inds	26¼	Dec	4.02	4.60	4.52	–1.85	5.75	6.46	14.84
Southern Ry	55⅝	Dec	8.35	9.17	9.64	5.06	5.76	1.88	2.93
Tyler	15⅝	Dec	2.14	2.48	2.71	9.56	5.76	4.49	4.37
Northeast Utils	9⅝	Dec	1.32	1.50	1.69	12.44	5.76	6.16	7.60
SPS Technologies	25¾	Dec	2.27	3.81	4.40	15.56	5.77	10.92	13.67
Boeing	48⅝	Dec	5.05	7.59	8.62	13.50	5.77	4.42	4.02
Hammermill Paper	22⅛	Dec	3.35	4.00	3.85	–3.67	5.78	6.28	11.46
Jewel Cos	25⅝	Jan	3.59	4.02	4.36	8.39	5.79	4.59	7.27
Ethyl	27⅜	Dec	4.02	4.61	4.64	0.53	5.80	3.60	7.14
General Tire & Rubber	23¼	Nov	4.97	4.38	4.00	–8.70	5.81	14.92	25.00
American Standard	54¾	Dec	7.23	8.89	9.40	5.78	5.82	4.30	9.96
Dana	29½	Aug	4.22	5.07	5.15	1.64	5.83	0.74	6.07
Rexnord	17½	Oct	2.67	2.92	3.02	3.57	5.83	8.68	9.73
Wetterau	13⅛	Mar	1.72	1.98	2.25	13.78	5.83	2.00	1.48
Pennsylvania Power & Light	19⅜	Dec	2.86	3.27	3.30	0.92	5.83	3.08	4.91
Pacific Gas & Electric	22⅞	Dec	3.20	3.55	3.90	9.76	5.83	2.65	2.57
Southwest Bancshares	25⅛	Dec	3.67	3.85	4.35	12.87	5.84	1.84	3.93
Ideal Basic Inds	25¼	Dec	4.02	4.37	4.42	1.13	5.85	3.96	13.79
Scovill	19⅛	Dec	3.21	3.31	3.35	1.11	5.85	1.80	0.08
Doyle Dane Bernbach Intl	22⅛	Dec	2.87	3.34	3.76	12.54	5.86	1.71	2.92
Republic of Texas	26½	Dec	3.41	4.05	4.55	12.15	5.86	1.91	2.71
Burlington Inds	16¾	Sept	2.50	2.80	2.84	1.33	5.86	1.21	5.89
NY State Electric & Gas	16⅛	Dec	2.46	2.62	2.75	5.10	5.86	3.82	2.58
Northwest Bancorporation	26⅝	Dec	3.65	4.17	4.59	10.05	5.88	2.37	3.31
Easco	19	Dec	2.88	2.95	3.29	11.56	5.88	4.28	6.02
US Steel	23⅜	Dec	2.85	4.31	4.14	–3.86	5.88	9.72	13.55
Wachovia	19⅞	Dec	2.48	3.00	3.31	10.30	5.89	2.70	3.26
Northwest Inds	35	Dec	4.68	5.61	6.16	9.68	5.89	3.90	8.27
Carolina Power & Light	19½	Dec	3.10	3.15	3.33	5.88	5.89	2.93	3.77
Fischbach & Moore	26⅛	Sept	3.61	4.03	4.30	6.91	5.90	0.74	4.18
Harcourt Brace Jovanovich	37¾	Dec	3.76	5.45	6.44	18.20	5.90	3.07	6.86
Florida Power & Light	26¼	Dec	4.54	4.23	4.45	5.20	5.90	2.67	5.63
Textron	27¼	Dec	4.47	4.52	4.61	2.16	5.91	2.11	3.71
Combined Insurance	21	Dec	2.86	3.22	3.56	10.34	5.91	2.35	4.01
Ogden	35⅛	Dec	5.18	5.98	6.32	5.61	5.92	5.12	8.56
Nucor	32⅛	Dec	3.91	5.04	5.58	10.67	5.92	5.28	6.49
Leaseway Transportation	23⅜	Dec	3.34	3.59	3.88	8.30	5.92	3.39	5.62
Marley	21¼	Oct	3.38	3.47	3.69	6.24	5.93	2.01	7.81
Burlington Northern	59¼	Dec	8.52	10.92	10.03	–10.10	5.94	11.67	13.66
Seafirst	28	Dec	3.75	4.23	4.70	11.15	5.95	2.06	2.73
United States Filter	13	Dec	1.55	1.92	2.18	13.85	5.96	2.18	5.48
Kansas Power & Light	18⅜	Dec	2.74	2.93	3.08	5.12	5.97	5.86	3.36
First Kentucky Natl	32½	Dec	4.16	4.87	5.44	11.54	5.98	2.44	3.47
Trane	20½	Dec	2.66	3.10	3.34	7.74	5.99	7.64	10.41
Braniff Intl	10¼	Dec	2.26	1.79	1.75	–1.96	5.99	19.90	32.24

*For fiscal years ending June through May of the following year. †See source. ‡Percentage range around the average in which two-thirds of analysts' estimates fall. The lower the percentage, the greater the agreement among analysts.
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